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SUMMARY

Restraint signalled on fall in rates

● **BANK OF ENGLAND** gave a clear indication through its money market operations of a desire for moderation in the downward trend in interest rates.

But it was not clear whether the Bank would like to see a temporary halt in the fall in rates or could accept another modest reduction in Minimum Lending Rate tomorrow, following last week's 1 per cent drop to 8½ per cent. Rates on Treasury Bills yesterday were just above the level which would trigger a fall in MLR to tomorrow's tender. Money market. Page 26

● **EQUITIES** gained further ground. The FT 30-Share Index rising 13.5 to a new all-time peak of 549.2.

● **GILTS** also went ahead strongly and the FT Government Securities Index rose 1.1 to 74.3.

● **STERLING** gained 3 points to \$1.7440 and its trade-weighted index improved 0.1 to 82.3. Dollar's trade-weighted depreciation narrowed to 0.34 (0.64) per cent.

● **GOLD** rose 50c to \$148.125.

● **WALL STREET** rose 4.15 to 858.71.

● **WEST GERMAN** Cabinet has approved proposals for a more expansionary Budget, following France and Japan in taking restrictive action. Back Page

● **LAKER AIRWAYS** has won the right to operate its low-fare Skytrain flights from Gatwick instead of Stansted. But it must sell tickets and check-in passengers outside the airport boundary and take passengers to the airport by bus. Back Page

● **CABLE AND WIRELESS** profits are expected to show a big increase next year. The State-owned company has named three new Board members but still lacks a finance director. Page 11

● **LEVLAND** profit fell sharply in the first half of the year from \$33.8m to \$12.6m. Back Page

● **GOVERNMENT** is expected to put more money into research on alternative sources of energy, such as tidal power and solar energy, following criticism of the present policies in Commons committee reports. Page 11

● **ACCOUNTANTS** may become the first professional group to run up against the restrictive practices law. The Office of Fair Trading says accountants' advertising restrictions may be registrable. If so, they would have to prove it was not in the public interest to drop them. Back Page

● **AMEV**, the Dutch insurance group, has built up a 9 per cent stake in Combined English Stores after buying in an \$80,000 deal—the 4.5 per cent stake held by Lonrho. Page 28

● **BURMAH OIL** made a first-half pre-tax loss of £1.35m, compared with £14.9m a year earlier. Page 24 and Lex

PRICE CHANGES YESTERDAY

In pence unless otherwise indicated

Norton and Wright	30	+7
Pilkington Bros	515	+15
Provident Financial	111	+7
Rank Org.	270	+36
Renold	160	+18
Roylco Parsons	248	+37
Richards Wallington	70	+8
Renwate Mackintosh	396	+26
SEET	44	+6
Sunley (B)	134	+9
Fralgear House	370	+12
Unilever	242	+12
Vickers	147	+8
Wagon Finance	93	+6
Whitecroft	195	+16
Shell Transport	632	+16
Berall Tin	85	+3
Bracken Mines	178	+29
Durban Deep	178	+29
Harmony	363	+11

FALLS

Babcock and Wilcox	132	-13
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Market boost as fall in imports aids balance of payments

Share index reaches all-time high

BY ADRIENNE GLEESON

Encouraged by good news on the economic front, the optimists came into their own on the Stock Exchange yesterday, and buying sent three of the most important share indices to record heights. Among them was the FT 30-Share Index, which closed at 549.2, 5.6 points above the previous record established in May 1972.

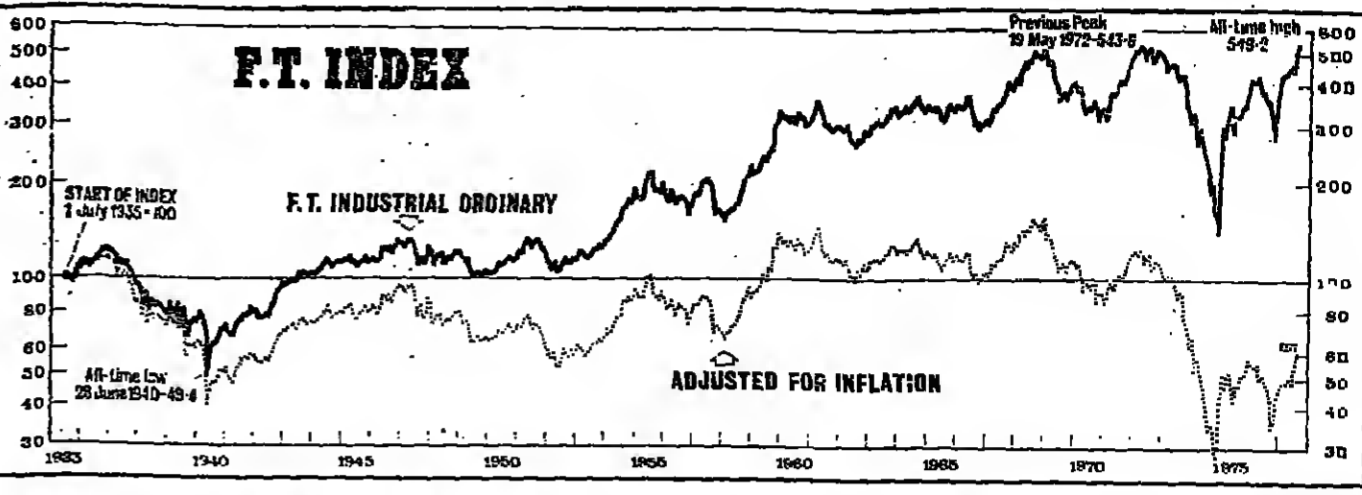
Unlike the scenes of jubilation which accompanied such index performances five years ago, yesterday's advance through the previous all-time high was a low-key affair which gave rise to nothing more than a subdued cheer. In fact, most people were caught on the hop by the surge into new territory, which happened during a period of high trading at lunch-time, and ahead of publication of the crucial trade figures. These, which were awaited with some nervousness, turned out to better all expectations, and both gilts and equities went higher in heavy trading after hours. Stock Market opinion is now divided between those such as stockbroker Mr. James Dundas Hamilton, former deputy chair-

Percentage changes in the share prices in the FT index since the market's low on January 6, 1975:

Lucas Industries	552.45	ICI	780.42
Dunlop	676.46	Vickers	777.78
Hawker Siddeley	528.15	Glaxo	767.52
General Electric	495.84	Tube Inv.	749.40
Bechtel	454.69	Turner & Newall	740.33
Boots	423.05	Marks & Spencer	745.83
John Brown	420.23	Platts	701.22
Grand Met.	418.50	Oxley	666.97
BOC Int.	417.96	P & O Defd.	655.25
London Brick	391.53	Imperial Group	641.54
British Pet.	362.89	Allied Breweries	635.07
EMI	312.70	Courtauld	628.69
Equaror	314.23	Tate & Lyle	609.39
Guest Keen	308.75	UDS Group	607.95
Associated Portland	306.06	Spillers	607.95

man of the Stock Exchange—who expects the FT 30-Share Index to advance to 600 (though possibly with a pause for profit-taking on the way), and those who expect to see a new trading range established between 540 and 570. Concerning equities at least, more cautious views have for the moment been laid aside. Enthusiasm is not confined to London. Brokers in Edinburgh were talking yesterday of the re-appearance as buyers—in situations whose recent policy has been to stand aside from the markets, and to Liverpool, too, there was a mood of business. Some caution, however, is still expressed by some gilt-edged dealers, though yesterday's 0.63 point rise in the FT Government Securities Index (to 74.33), reflected heavy buying, particularly of short-dated stocks, on the part of investors.

Editorial comment and why the market is celebrating Page 22. ● Bank of England Quarterly Bulletin Page 30. ● Lex Back Page. ● Trade figures Page 8



Record £316m. trade surplus

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN had a record current-account surplus of £316m. in August after a 237m. improvement in the visible balance of trade in 2008.

The large surplus is officially regarded as "excellent" because of an exceptionally sharp fall in imports, but the underlying trend is clearly favourable, with a current account surplus over the last three months, for the first time since mid-1972.

The news helped strengthen an already firm pound, which closed 5½ points higher at \$1.7440. While the Bank of England intervened to hold down the rate to 8½ per cent, the weighted index was allowed to rise to 549.2, the highest level since the end of July, when it stood at 547.5.

The dollar rose to 82.3, the highest level since the end of July, when it stood at 81.5.

The continued demand for sterling has resulted in sizeable inflows to the reserves so far this month, estimated at over \$1bn. by some market sources, with delayed receipts as well from forward operations.

The bulk of the improvement last month resulted from a 237m. drop in imports, and nearly half this decline can be explained by lower imports of the traditional volatile items of diamonds, shoes and aircraft. A substantial contribution to the balance was made by a 2 per cent rise in the terms of trade—rate ratio of export to import prices—after a 2 per cent rise in export values and a 1 per cent fall in import prices.

This reflected in particular the recent fall in many commodity prices and the initial impact of the sharp rise in sterling in late July.

Between June and August there was a current account surplus of £179m overall, compared with a deficit of £128m. in the previous three months.

This provides a reasonably clear guide to the trend, since the special factors which distorted the August outcome make little difference to the longer-term comparison. Indeed the turn-around would have been about £150m greater but for imports of North Sea installations.

An improvement in the balance of trade, as a result of the build-up of North Sea production accounted for £194m. of the £316m. surplus, narrowing the visible trade deficit between the three-

BALANCE OF PAYMENTS

Current Account	Current Account	Current Account	
£m.	£m.	£m.	
Visible	Invoyables	Current account	
1976 1st	-538	+448	-90
2nd	-907	+517	-370
3rd	-1,134	+437	-511
4th	-982	+568	-414
1st	-922	+501	-461
2nd	-696	+492	-204
3rd	-225	+164	-61
4th	-297	+144	-133
1st	-120	+175	-55
2nd	+141	+175	+316

months periods. Overall, export volume was 4 per cent up in the three months, while there was only a marginal increase in import volume after excluding the North Sea installations.

The main disturbing feature of the generally encouraging overall picture is the continued rapid increase in imports of finished manufactured goods, up 7 per cent in volume in a three-month comparison, excluding North Sea installations.

There may also be concern about implications for the price competitiveness of the steady rise in export prices up 21 per cent, on a three-month basis, contributing to a 1 per cent rise in the terms-of-trade index. Competitiveness has already been eroded this year and is now back in the level of early 1973.

The current-account deficit for the first eight months of the year is £403m. and Britain would have been near balance overall but for the major downward

Bank seeks to keep £ down

BY MICHAEL GLANDEN

THE BANK of England is committed to continue its policy of preventing a significant rise in the value of sterling as a result of the strong demand for the dollar, but it may be slightly higher than the level in the early spring.

The continued demand for sterling has resulted in sizeable inflows to the reserves so far this month, estimated at over \$1bn. by some market sources, with delayed receipts as well from forward operations.

The bulk of the improvement last month resulted from a 237m. drop in imports, and nearly half this decline can be explained by lower imports of the traditional volatile items of diamonds, shoes and aircraft. A substantial contribution to the balance was made by a 2 per cent rise in the terms of trade—rate ratio of export to import prices—after a 2 per cent rise in export values and a 1 per cent fall in import prices.

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Government can undertake a significant reduction of the monetary base, which would be a major expansion of the economy and a return to unemployment.

The Bulletin says that there are a number of reasons for hoping that wage settlements in the next round will in the event be moderate as the inflation rate comes down.

But if particular groups of workers obtain large immediate wage rises, it will worsen economic prospects in many ways.

Bank of England Quarterly Bulletin

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Confusion at French Left talks

BY ROBERT MAUTHNER

PARIS, Sept. 14.

FRANCE'S Left-wing alliance, already shaken by months of bitter internal squabbles, was broken to-night when a summit meeting of its leaders broke up in confusion.

The meeting was called to patch up policy differences on a range of problems, including the Left's nationalisation programme, defence policy, wages, social measures and workers' participation in industry. It ended suddenly when M. Robert Fabre, leader of the smallest partner, the Left-wing Radical party, walked out.

M. Fabre said afterwards his walkout was motivated by the Communist refusal to tone down demands for an extension of the nationalisation list contained in the Left's original common programme of 1972.

M. Georges Marchais, the Communist leader, said that in spite of all the disagreements good progress was made at the meeting and compromises had been found on about 30 of the 40 problems on the table.

M. Francois Mitterrand, the Socialist leader, declined to comment.

The Communist leader proposed that the summit discussions be resumed tomorrow, if necessary without the Radicals. But it is doubtful whether the Socialists will agree to such a procedure as the Radicals are their closest allies.

To-night's incident may have threatened the future of the alliance, which only a short time ago appeared very likely to win the General Election.

The latest opinion poll gave the three parties about 50 per cent of the popular vote, compared with 47 per cent for the Government coalition parties. It is clear this led would quickly disappear without an agreement of the Left.

The summit opened this morning in a tense atmosphere at the Socialist Party headquarters opposite the French National Assembly. M. Mitterrand and M. Marchais accused each other in their tough opening statements of being responsible for the disunity. But the three leaders stressed their desire to compromise.

It was clear all along that the nationalisation programme would be one of the main sticking points, as it was in earlier negotiations between lesser officials of the three parties.

The Communists proposed that the original nationalisation list embracing nine of the country's biggest industrial groups and the whole banking and financial sector, should be extended to take in all the subsidiaries of these organizations as well as the steel industry, the Peugeot Citroen car company and the CFP oil company. This was strongly opposed by the Socialists and Radicals.

The two parties argued that nationalisation of holding companies alone, would give the

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2 ROMBARD

Caring for the smaller firm

BY COLIN JONES

ARE WE ABOUT to witness a sea-change in attitudes towards the role and needs of the small business in the economic life of this country? The thought is prompted not so much by the growing interest and activity in the small firm sector which is being shown by the C.M.I., the media, the academic world and by all sorts of other bodies but more particularly by what one hears about some of the ideas now being canvassed in Whitehall.

The other day, for example, we learned that the Government is considering—as part of its review of how to make the best use of the benefits of North Sea oil—the possibility of introducing a special tax regime for small businesses so as to help them to expand and create new jobs. This would follow a number of other initiatives already taken by the Government with the small business in mind, such as the introduction of new industrial information and training services, lower minimum thresholds for certain schemes of industrial financial assistance, modifications in the system of Capital Transfer Tax, changes in the small company rate of Corporation Tax, and a request to local authorities to have more regard for the needs of the smaller firm especially in inner city areas.

Meanwhile, new venture capital institutions have sprung up or existing sources of finance have increased their efforts to provide long-term capital for the smaller firm. The Stock Exchange has eased its listing requirements so as to encourage a wider secondary market in the shares of small companies. And the Confederation of British Industry has set up a new smaller firms directorate.

Expanding All this interest and activity is welcome. But one is bound to wonder how far it will go. The scepticism arises from the Government's role in this area. For while it is clear that the danger of letting the small firm sector continue to wither are well appreciated in parts of Whitehall, the arguments that are likely to have the greater influence upon Ministers are ones of political convenience—namely, the opportunity to be seen to be doing something about unemployment and the opportunity to cut some of the ground from under the Conservatives.

The trouble is that new fiscal measures launched with these motives in mind would almost certainly yield disappointing results, rather as an earlier Conservative Government was

GOLF

BY BEN WRIGHT

In for a hammering

THE APPARENT hopelessness and tested Scottish pair of Brian Barnes and Bernard Gallacher will do battle against the 22nd Ryder Cup match, American most obviously in seems to be the trump card of the U.S. PGA championship and team as they challenge the cup-holders from the U.S. at Royal Lytham St. Annes.

The change in format that decrees that only 18 holes will be played every day instead of a possible 36 gives us on paper a much better chance, since we have never been guilty of enjoying strength in depth.

Instead of having to play four foursomes twice on the first day and four foursomes twice on the second day and eight singles twice on the third day, the schedule involves five foursomes today, five foursomes tomorrow, 10 singles on Saturday, all over the sprint distance of 18 holes. Of such, giantkillers are made.

Bookmakers offered ridiculous odds of 10-1 against our challengers, and most of us have invested a little at such an unrealistic price—on paper—since a bet of 1-1 on the Americans is equally unconvincing.

I take great hope from the draw for the foursomes today and from the fact that the Americans are so obviously tired — if not actually wounded — after one of the hardest seasons in living memory.

YACHTING

BY SAM VITE

President applauds Courageous

HAPPINESS for Ted Turner is a handwritten note of congratulations from the President of the U.S. Yesterday morning at Newport, Rhode Island, the skipper of Courageous handed a letter to White House stationery to crown his triumphant victory in the first race of the America's Cup against the challenging yacht Australia.

It read: To Ted Turner, Congratulations to you and the crew of Courageous, I am proud of you to a 4-0 victory in the best-of-seven series.

It was revealing to hear the skipper's comments after the first race. Robins blamed his boat's poor performance on the first weather leg on wrong jib choices.

"We thought the going was more choppy than it actually was, and we tended to have sails which weren't tight-winded enough." Of the recapture of the cup on the second beat the Australian said: "We were better set-up, and sails more suitably trimmed."

The American skipper listened to Robins' comments and kept his peace. When his turn came he said little about whether he had really pushed the boat hard. "I thought it was a pretty quiet close," he said. "Not super-close but close. I feel we got a lot more racing to do. It could certainly get a lot closer to a heck of a burry."

To the objective observer it looks as though Turner is trying to avoid taking the steam out of the series by crying "Easy east."

An incredible amount of money has been spent to get four challenging boats and three potential defenders to Newport, and through the summer-long elimination races, before Courageous and Australia finally square off for the first time yesterday.

If it looked to the world at large as though all this had been laboured over merely to match a Derby winner against a selling stallion the disillusion would be disastrous.

SCOTTISH

12.30 p.m. Border News, 4.20 The Little House on the Prairie, 4.50 The News, 5.15 The News, 5.45 The News, 6.15 The News, 6.45 The News, 7.15 The News, 7.45 The News, 8.15 The News, 8.45 The News, 9.15 The News, 9.45 The News, 10.15 The News, 10.45 The News, 11.15 The News, 11.45 The News, 12.15 The News, 12.45 The News, 1.15 The News, 1.45 The News, 2.15 The News, 2.45 The News, 3.15 The News, 3.45 The News, 4.15 The News, 4.45 The News, 5.15 The News, 5.45 The News, 6.15 The News, 6.45 The News, 7.15 The News, 7.45 The News, 8.15 The News, 8.45 The News, 9.15 The News, 9.45 The News, 10.15 The News, 10.45 The News, 11.15 The News, 11.45 The News, 12.15 The News, 12.45 The News, 1.15 The News, 1.45 The News, 2.15 The News, 2.45 The News, 3.15 The News, 3.45 The News, 4.15 The News, 4.45 The News, 5.15 The News, 5.45 The News, 6.15 The News, 6.45 The News, 7.15 The News, 7.45 The News, 8.15 The News, 8.45 The News, 9.15 The News, 9.45 The News, 10.15 The News, 10.45 The News, 11.15 The 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Macbeth

by B. A. YOUNG

Shakespeare's *Macbeth* is a play that has been reviewed and re-reviewed in the last few years. It is a play that is not only a masterpiece of dramatic art, but also a work of profound psychological insight. The play is set in a Scotland that is in a state of chaos, and the story is one of a man who is driven to madness by the power of ambition and the influence of a witch.

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lan McKellen and Judi Dench

Record Review

Donizetti and Mozart

by ELIZABETH FORBES

Donizetti: Gemma di Vergi. Chiusa, Lima, Quilico, Pissaba. Senoia Cantorini. Opera Orchestra of New York/Quilico. CBS SQ 78933 (3 discs), £8.99.

Mozart: Le nozze di Figaro. Blegen, Harper, Berganza, Pinnik, Fryar, Evans, Fischer-Dieskau, McCue. John Aldis. Choir, ECO/Barenboim. EMI SLS 986 (4 discs), £11.95.

simple. Count di Verger (baritone), returning to his castle from the battlefield where he has been assisting Joao de Arc to defeat the English, repudiates his wife Gemma (soprano) because she is barren, and plans to marry Ida (mezzo). Tamara (tenor), a Moorish slave secretly in love with Gemma, prevents her from killing her rival and then himself kills the Count. Contemporary critics found the score rather too rich in reminiscences of Bellini (*La straniera* in particular) and of Donizetti's own *Parisina* composed the year before *Gemma*.

Book Reviews are on Page 35

The resemblance to *Parisina* is indeed striking, but more for the general mood of violence and for the lay-out than for any direct self-plagiarism. Gemma's beautiful prayer in the last scene and her subsequent (but not her learning of the death of Verger) recall the aria-finales of several other Donizetti operas, but retain their melodic individuality. Perhaps the most original portion of the score is the second scene of Act II, in which an angry duel between the two women becomes a trio with the arrival of the Count and then a quartet as Tamara enters too. This is Donizetti at his dramatic best.

Vocally the part of Gemma suits Caballé very well. In excellent voice, the Spanish soprano gives strong and finely contrasted expression to Gemma's tender evocation of past happiness and to the jealous rage with which she confronts Ida. The Prayer is smoothly sung—a few more consonants would be welcome—and the final fireworks are delivered as under pressure his tone is apt to become straggled.

Louis Quilico, on the other hand, cannot produce the unbroken legato line for the Count's sentimental passages, but works up a fine frenzy when his anger is aroused, as, for instance, in the *Idio* already mentioned. Paul Pissaba sings resonantly as Guido (bass), the Count's disapproving confidant, while Naitala Chudy does what she can with the two-dimensional figure of Ida. Eve Queler conducts the Senoia Cantorini and the Opera Orchestra of New York sympathetically—and paces the score well. The recording is adequate, with voices sounding extremely natural in timbre and life-like in size—the result of Carnegie Hall's superb acoustics.

The new EMI *Figaro* has many virtues: stylish playing is allowed his four-horn section, but the English Chamber Orchestra, sensitive musically, is excellently conducted by Daniel Barenboim; accomplished singing by the cast collectively devoted to the

Lead Theatre

Pictorial Smash

MICHAEL COVENEY

ise and fall on a pile of tin drums. Drying off, he always play as well as they did at Tuesday's Prom (the first of two) under their conductor, Edouard Van der Walt, they will be welcome visitors to London. Each department produced forward, outgoing, too of a kind invaluable for the Albert Hall. The strings, had a shining quality that did not exclude weight, for instance in the last appearance of the Pope's theme in the *Benvenuto Cellini* Overture of Berlioz and in some passages to the slow movement of the Fourth Symphony of Brahms, where weight is essential. Solo woodwind and brass were agile, rather light, but always telling.

Their virtuosity consisted of a couple of excerpts from the *Moscow* music of Dvorak, including a rousing comparison of the "Dutch" musical history. *Moscow* is a mythological comedy. One can't help feeling it may have been rather swamped by such ample, ably

Albert Hall/Radio 3

Rotterdam Philharmonic

by RONALD CRICHTON

written and agreeable music, hovering to judge from what we heard, between Debussy and Stravinsky. The name of Mahler, accepted in Holland long before he was here, was duly mentioned in the programme note, though his influence was not immediately detectable. Except for Cyril Scott, it is hard to think of any English composer heading continental nations with such fluency in the years before the first world war, when *Naxos* was written.

Nevertheless, the greatest distinction of the concert came from the presence of soloists of *Figaro*. Norman sings five songs of Strauss with orchestra accompaniment. Miss Norman is now in magnificent form. The voice—large, lusty, warm and steady throughout a considerable range—is surely the most remarkable instrument possessed by any soprano since Florida, with whom Miss Norman shares regal dignity and an impression of abundant goodness.

Sadler's Wells

Balanchine Ballets

by CLEMENT CRISP

By beginning its autumn season with an all-Balanchine programme, the Sadler's Wells Royal Ballet plainly believes that it understands the stylistic heart of the matter. I would be regretfully to differ in *Concerto Barocco*, which is new to the repertoire this season, and *Four Temperaments*, what corrodes the presentation is the company's inability to present dance as dance, and not as a form of personality cult. The opening of *Barocco* was, probably through nervousness, a series of buffed accents and smiles; at any moment I anticipated the cast breaking into that celebrated World War One chorus: "We'll grin, grin, grin. 'Til we win, win, win."

The work pulled itself together by the final movement of the Bach double violin concerto in D minor: well played the performance was clean and rhythmically alert. But, with the most honourable exception of Marion Tait—who looks like a Balanchine dancer—both *Barocco* and *Temperaments* were given with a surprising awareness of the audience. The smile at the public at the height of a jump, the palpitant and somewhat indecisive manner (as if not sure of a welcome); the lack of crispness and that just-beyond-the-art-art which Balanchine's own artists bring to their Master's work—all these soften and corrupt the choreography, sweeten it with charm and slacken its muscles.

Danced, as if the audience were not there—which is the effect given by some of Balanchine's best dancers—both works might seem more authentic albeit I feel some of the *clutter* in *Temperaments* is beyond redemption.

Wigmore Hall

Beethoven by NICHOLAS KENYON

As musical patrons, the 18th-century Kings of Prussia aimed to be in the forefront of fashion. King Frederick I, who spent much of his life cultivating the opera of Hasse and Graun, must have been rather disconcerted by the conservative nature of the musical offering made him by Kapellmeister Bach; but a generation later Frederick II would surely have counted it a major achievement that the skill of his court cellist stimulated Beethoven to write the first-ever cello sonatas.

Moray Welsh and Anthony Goldstone, who completed their highly enjoyable and thoroughly professional cycle of all Beethoven's sonatas and variations for cello and piano at the Wigmore Hall on Tuesday, began with the second of the King's sonatas, Op 5 No. 2. In some ways it was the evening's most successful performance: well-balanced, carefully matched in phrasing and dynamics, yet not lacking the occasional wild outburst where (as in the development section and powerful coda of the instrument) Beethoven gave a hint of what was to come in his later music.

At their best each partner was superb: Moray Welsh cultivates a cloudy, somewhat introverted sound, in the cello's middle register which suited perfectly the gradual growth of Beethoven's one full slow movement for the instrument, in the Op 102 No. 2 Sonata; Anthony Goldstone, on the other hand, excels in *zesty* precision and sharp rhythmic articulation—his handling of the Rondo theme in the Op 5 sonata was a delight. Listening previously to these players separately, I had always been more impressed by the

Sponsorship boost for RPO

The chairman of the Royal Philharmonic Orchestra, Royal Cello-player, John Bimson, 27, announced in London this week that the Legal and General Assurance Society were to give the orchestra a further £25,000—bringing the L and G's support of the RPO to £105,000 over five years. This is the largest amount ever given to one of the four independent London orchestras over a similar period by any individual commercial sponsor.

Mr. Bimson said: "We begin our new season in the knowledge that support for the orchestra from industry and commerce is the best ever... the orchestra has already secured a further £50,000—from other sponsors, and the figure is growing daily."

Apart from the L and G, among growing numbers of "Corporate Members" are Albright and Wilson, Bechem Group, British Land Company, Chem Systems, Delta Metal Company, Findus Ltd., Charnbury, Green Shield Trading Stamp Company, International Stores, Johnson Wax Arts Foundation, Kojak, Lawrence Graham Middle-



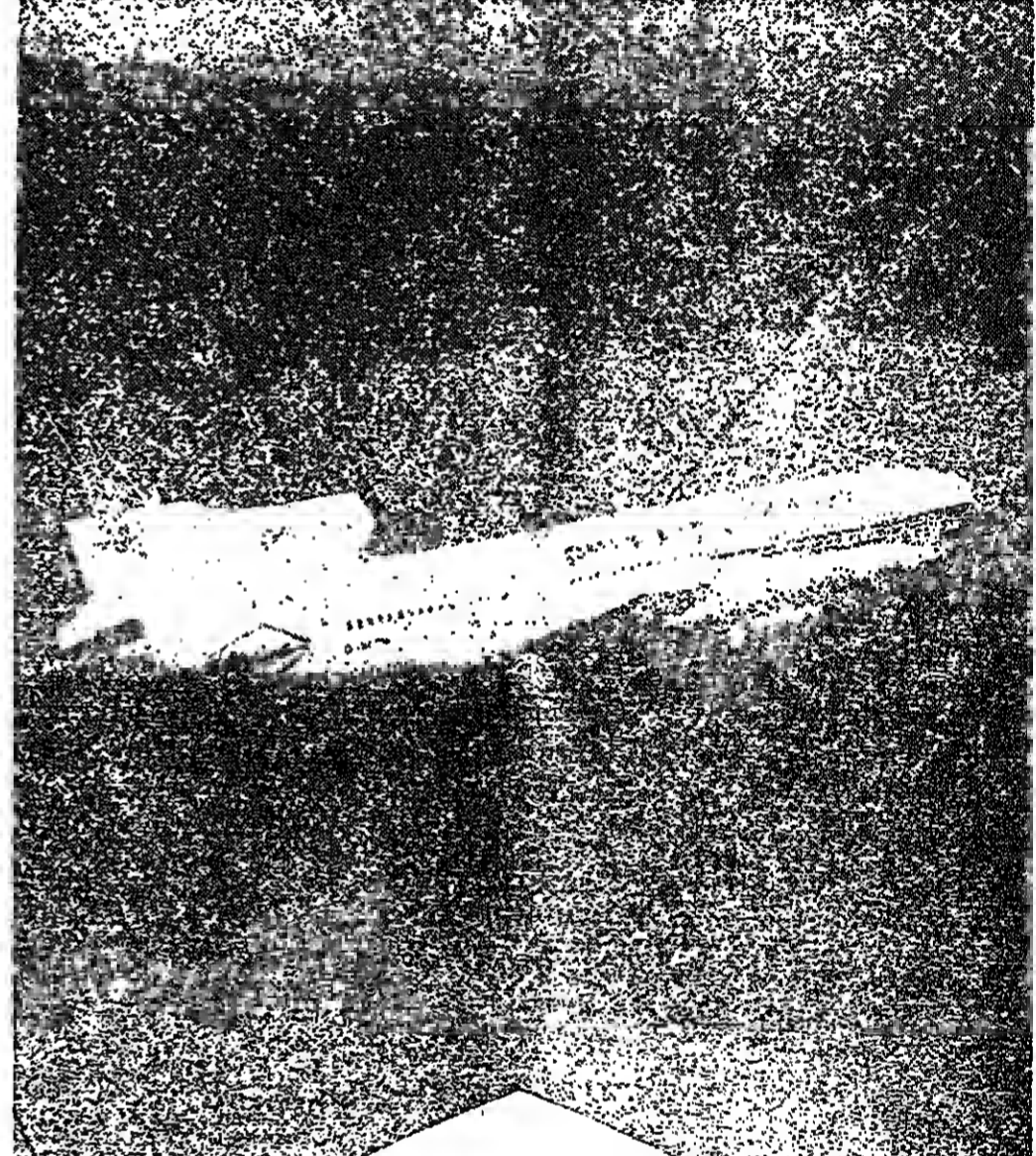
Mark Long

Liszt Festival of London

ist Louis Kentner will be the first Liszt Festival of London on Monday, September 19, at the Wigmore Hall. The festival, which runs from September 19 to October 30, includes a series of recitals in the Wigmore Hall, an orchestral concert in the Royal Albert Hall, and a series of recitals in the Wigmore Hall. The festival is a rare opportunity to hear Liszt's neglected works, and it is a performance since its first performance in this country (in fact is receiving its first performance since its first performance in this country).

National Gallery's Parnianino on show

Portrait of a Collector by Parnianino (1503-1540) which was bought by the National Gallery at Christie's on July 8, for £650,000, is now on show to the public.



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EUROPEAN NEWS

NASA criticised after Euro-satellite launch debacle

BY DAVID FISHLICK, SCIENCE EDITOR

A DISASTROUS explosion high above America's main spaceport on Tuesday night, which ended Europe's hopes of launching its first communications satellite this year, will cost the insurance market about £10m.

Research satellite launch in the nose cone terminating the 31-inch diameter Delta rocket blew off, but an alternative possibility is that the trouble started in the main vehicle and spread to the booster rocket.

he said, had they not built a back-up satellite at an additional cost of about \$6m.

EEC duty move may boost cost of F-16s

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT BRUSSELS, 14

EUROPEAN governments purchasing the U.S. F-16 military aircraft are threatened with a sizeable increase in their cost because of a move by the EEC Commission which challenges the exemption from customs duties of military parts and supplies imported from outside the Common Market.

Recounts put result of Norwegian poll into doubt again

BY FAY GJESTER OSLO, Sept. 14.

THE OUTCOME of the Norwegian general election was again in doubt this afternoon, following a recount in the Nordland district.

Lisbon puts 6% limit on devaluation

By Our Own Correspondent LISBON, Sept. 14.

PORTUGAL is to devalue the escudo by not more than 6 per cent, during the next six months, starting to-morrow, against a basket of 10 major currencies. It was announced here to-day.

FRENCH WAGE TALKS Government scores breakthrough

BY DAVID CURRY PARIS, Sept. 14.

THE French Government has scored its first significant breakthrough in the current round of negotiations on wages in the public sector.

China mission due to-day

BY ROBERT MAUTHNER PARIS, Sept. 14.

A HIGH-LEVEL Chinese military mission led by General Yang Chengwu, Deputy Chief of Staff of the Chinese armed forces, is due here to-morrow for a 10-day official visit.

Rare stamps to be auctioned

THREE RARE stamps are to be auctioned to help the Tate Gallery save two famous paintings.

The Tate has until Christmas to raise £140,000 towards buying Haymakers and Reapers by George Stubbs.

MPs criticise economic pact

By Robin Reeves LUXEMBOURG, 14

DEEP CONCERN at the situation in the EEC, expressed by European Parliament members to-day, after a report by Lord



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EEC dispute must avoid clash

Belgrade says Owen cost of

By Owen

After two years of repeatedly disappointed hopes of a real export-led upturn, the Finns seem finally to have accepted that their economy is moving from worse to merely bad. The economic forecasters have since revised their estimates of growth for 1977 have been reduced from 3.5 per cent. early in the year to perhaps no more than 1 per cent.

The Government has said that it is unlikely that the economy can be brought into balance before the early 1980s. The long expected growth of economic activity in the key West European export markets has been as elusive as the summer sun on which the Finns rely so much for a charge of energy to get them through the long, dark winter.

All in all, it has been a gloomy year. There was a plague of damaging strikes early in the year, followed by a two-year wage settlement that was far from moderate. Unemployment continued to run at a level not known since the early post-war period. There has been double-digit inflation for the past four years, and anything less than a 13 per cent. rate this year is unlikely. Industrial production

is very much to be hoped for the Soviet Union and its allies. If Western delegates had to start producing a list of names and individual cases, sharp might arise. He hoped, that the West could start by raising points of principle so as to avoid the "polemics" that side wanted.

Owen warned that the should not single out only human rights aspects of the agreement. This might rage the East bloc from its dialogue with the West.

He stressed that President a statements on human had, however, been a factor in strengthening Western position. Concern human rights was an integral part of the U.K.'s foreign throughout the world, Dr. Owen. There could be over tactics, and con-

might be more effective individual cases, but President's initiative had generated momentum that was of fundamental importance. Differences approach by Britain, France Germany to the issue were onable and right."

Owen said the 35-nation meeting was the of "a series of checkpoints the way." If all went well, it might be a good idea to con-

new summit-level meeting ree years' time, five years the original conference.

THE FINNISH ECONOMY

From worse to merely bad

BY LANCE KEYWORTH IN HELSINKI

Business and industry are complaining of lower profits and reduced international competitiveness. Private investment has slumped, and public investment to balance the situation is ruled out by lack of funds.

Following the 6 per cent devaluation of the Swedish krona in April this year, the Finnish markka was devalued by 5.7 per cent. Sweden devalued again, by 10 per cent. in August, and the Finnish answer was a 3 per cent. adjustment in foreign exchange rates. For industry, especially the pulp and paper industry, that was too little. Sweden is Finland's biggest competitor in this sector, and apart from that is the No. 1 export market in the West. The gift of a 7.3 per cent. competitive edge to Swedish manufacturers dismayed and angered Finnish industry.

In May of this year, Finland once again had a coalition Government commanding a majority in Parliament, led by Mr. Kalevi Sorsa, a Social Democrat. It lost slowly, and the growth of imports is decreasing. Savings have shown a revival after a slump at the beginning of the year. On the other hand, since the programme

was remarkable less for the size of the relief it offered industry, than for its recognition that the best way to combat growing unemployment was to promote production and productive investment. It foresaw temporary reductions in employers' social security and other costs totaling about Fmk.700m. (roughly £100m.). Most of this will be implemented in 1978.

The economic sky is not entirely overcast. The Bank of Finland's tight monetary policy of the past three years has reduced the current account deficit from nearly Fmk.5bn. in 1975 to an estimated Fmk.1.5bn. this year. But with this major worry reduced, it is now being suggested that the time has come to ease the money market. Part of the September devaluation package was a reduction by one percentage point of the discount rate to 9 per cent, with all other deposit and lending rates to follow suit, probably on October 1.

Exports are increasing, if only slowly, and the growth of imports is decreasing. Savings have shown a revival after a slump at the beginning of the year. On the other hand, since the programme

holds has shrunk or anyway has not increased, no stimulus can be expected from consumer demand.

Following the second devaluation, Mr. Sorsa staged a happening. He convened a two-day meeting in Korpiampi, near Helsinki, of 350 of the top men in politics, business, industry, labour relations, and so forth. It was the first meeting of its kind in the 70-year history of an independent Finland. The meeting provided a useful forum for blunt speaking by politicians and industrial barons, union bosses, and employers. The Bank of Finland, and bankers. But nothing new was said, and there was no consensus on what had to be done.

No sooner was the Korpiampi conference over than the agricultural producers announced their dissatisfaction with the farmers' incomes settlement dictated by the Government, and threatened to stop deliveries of farm produce. The unions are discussing the question of compensation for the price increases caused by the two devaluations. In fact, though all agree that the Sorsa Government is moving along the right lines, the general opinion is that it has not yet done enough.

While stressing its own political and economic unity, the EEC is unwilling to accord similar status to Comecon because of the domination exerted over the organisation and its member countries by the Soviet Union.

In the Brussels view, there is little scope for extending future relations between the two organisations much beyond innocuous activities like co-operation and the exchange of information on trade statistics and similar economic and technical data. The EEC will insist that any formal trade arrangements at the end of this month.

an existing five year accord which expires on October 3. A State Department spokesman in Washington acknowledged last month that there were still substantial differences between the two sides. Mr. Cyrus Vance, the U.S. Secretary of State, Mr. Andrei Gromyko, the Soviet Foreign Minister, are to discuss the issue in Washington next week.

Soviets deny trying to keep out Airbus

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

MOSCOW, Sept. 14. THE SOVIET Union is not trying to block the landing of the French-German Airbus in Moscow, it merely wants to keep its Aeroflot line competitive by winning agreement to increase its flights "on the Airbus route," a Soviet newspaper reported today.

M. Marcel Cavaille, the French Transport Minister, has condemned what he calls Soviet "discrimination" against the Airbus. The Communist Party in Toulouse, where the Airbus is built, also has denounced the Soviet position.

Mr. G. A. Mirozoyan, chief of the department of foreign relations of the Soviet Ministry of Civil Aviation, told Literaturnaya Gazeta that the French claim that the Soviet Union had banned the Airbus was a "rude distortion of the facts."

Mr. Mirozoyan said he had delivered a document to the French that proposed Airbus flights to Moscow beginning in November, 1977. But he said the proposed agreement included some route changes so that neither this side nor the other side should gain unilateral advantages.

Talks on EEC-Comecon relations

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

MR. MIHAI MARINESCU, the Vice-Premier of Romania, will visit Brussels next Wednesday for a first round of exploratory discussions on ways of establishing closer relations between the European Community and Comecon, the EEC Commission said today.

Mr. Marinescu, whose government holds the Presidency of the Common Executive Committee, will be received by M. Henri Signon, the Belgian Foreign Minister and current President of the EEC Council of Ministers, and Herr Wilhelm Haferkamp, the Commissioner for External Affairs.

The planned visit is the first face-to-face encounter arranged between EEC and Comecon representatives since the two sides embarked on a drawn-out series of diplomatic exchanges more than three years ago. A September meeting was proposed by the EEC last June but a precise date has only just been agreed.

Next week's discussions are expected to be of a very preliminary kind, and Commission officials are emphasising that they should not be considered as negotiations.

While stressing its own political and economic unity, the EEC is unwilling to accord similar status to Comecon because of the domination exerted over the organisation and its member countries by the Soviet Union.

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Strategic arms talks postponed

GENEVA, Sept. 14.

A MEETING here of Soviet and U.S. negotiators working on a new strategic arms limitation (SALT) agreement, originally scheduled for yesterday, has been postponed until tomorrow, conference sources said today. They gave no reason for the change of dates.

The proposed new pact limiting the two super-powers' nuclear arsenals was intended to replace

be negotiated between the Community as a whole and individual Comecon member countries. Meanwhile, EEC and Soviet officials are due to hold technical discussions here tomorrow which, it is hoped, will pave the way for the resumption of formal negotiations on a fisheries agreement between the two sides.

Next Tuesday, EEC Foreign Ministers are also due to decide what terms to offer the Soviet Union for interim fishing arrangements after the current licenses awarded to Soviet vessels fishing in EEC waters expire at the end of this month.

Gen. Zia flies to Iran for talks with Shah

BY SIMON HENDERSON

ISLAMABAD, Sept. 14. GEN. ZIA-UL-HAQ, the military ruler of Pakistan, flew suddenly this morning to Iran for talks with the Shah. Officially, the one-day visit, in which he is accompanied by Mr. Agha Shahi, the Foreign Minister, is described as a private one, but there is little doubt that he has gone to talk about economic aid for Pakistan.

Army sources here did not confirm the saying that matters to be discussed with the Shah were unspecified. Several weeks ago, Mr. Shahi went to Tehran and diplomats believe that he asked for new aid or rescheduling of repayments. However, they also believe that Mr. Shahi's trip was unsuccessful.

Observers feel here that, by going himself, Gen. Zia hopes to improve the chances of a new agreement being made

Japanese industrial output fell in July

By Douglas Ramsey

TOKYO, Sept. 14.

JAPANESE industrial output in July fell by 2 per cent, from the June level, and stood only marginally higher than it did in July last year. Revised figures published today by the Ministry for International Trade and Industry (MITI) put the seasonal index for manufacturing and mining at 128 against 100 for 1970, the lowest level of output since February.

The production figures were one point lower than had earlier been estimated, but it is understood that the government was already aware of the real figure when it announced, ten days ago, its new package of stimulus measures for the economy pegged to 57.55bn. worth of new public spending.

Meanwhile, MITI has also revised downwards its estimate of shipments from industry during July, which appear to have declined by 0.8 per cent. in July compared with the original reckoning of 0.4 per cent. Inventories, however, declined for the first time in four months by 0.2 per cent., but they were on an all-time high in the preceding month, and they were in July at the second highest recorded level.

Siad Barre returns to Cairo as Addis claims battle success

BY OUR FOREIGN STAFF

ADDIS ABABA, Sept. 14.

PRESIDENT Siad Barre of Somalia arrived in Cairo yesterday on his second visit to Egypt in two weeks. He flew to the Egyptian capital, where he is expected to meet President Sadat.

President Siad's visit to Egypt comes at a crucial moment in the Ogaden war with Ethiopia. The Western Somali Liberation Front supplies ammunition to Somalia and even passing stocks of stored weapons which are useless to Egypt because of the lack of spare parts. Egypt Sudan that the nearby town of Jijiga, and Iraq are known to be secret an Ethiopian tank base, had fallen last week. Mopping up operations around Jijiga had finished, disappointed at the poor response by Arab League Foreign Ministers two weeks ago.

Reports from Addis Ababa have said that Jijiga is still the scene of heavy fighting and that the town itself is still in Ethiopian hands. Ethiopia claims to have rallied its forces and to be pressing hard against the regular Somali forces who, it says, are its opponents in the war.

President Siad's visit to Cairo has prompted speculation there that he is asking for arms supplies and technical assistance military supplies, especially in from Egypt, as well as more overt view of the Somali President's diplomatic support. The Soviet apparently unsuccessful visit to Union, which has made it clear Moscow at the end of August,

that it supports Ethiopia in the conflict, is reported to have been restricting the supply of oil, petroleum and lubricants to Somalia, and to have been restraining arms deliveries. Somalia is believed to be receiving arms shipments from Saudi Arabia, where he is expected to meet President Sadat.

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Australian unions to seek 35-hour working week

BY KENNETH RANDALL

CANBERRA, Sept. 14.

THE NATIONAL congress of the Australian Council of Trade Unions today adopted a policy to make 35 hours the standard working week in Australia instead of 40 hours.

It is 30 years since the industrial arbitration authorities agreed to reduce the standard working week from 44 to 40 hours, but there was no indication in the decision today that the trade union movement as a whole will be making further reduction a high priority.

The ACTU merely called on affiliated unions to press the policy wherever opportunities arose. There was no attempt to formulate a concerted campaign, as some of the more militant unions would have liked. But they now have an official policy to back their efforts.

The biennial congress of the ACTU, now in its third day, would mean in practice is not continued to be controlled fairly clear.

comfortably on most issues by a loose Centre-Right coalition which generally supports the president, Mr. Bob Hawke, and the national executive, which has a similar composition.

It now seems more likely that Mr. Hawke's support will hold for a debate to-morrow on uranium policy, despite the efforts of the left wing, Mr. Hawke and the executive are recommending that the ACTU press the government on whether a uranium mining and export industry should be developed.

The recommendation says that if the government does not agree within two months (and it has already said it will not), unions affiliated to the ACTU would consider withdrawing labour from work connected with uranium development. What this would mean in practice is not clear.

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CHEMICAL

OVERSEAS NEWS

S. African inquiry into Biko death refused

BY QUENTIN PEEL

JOHANNESBURG, Sept. 14.

AS INTERNATIONAL and domestic protests mounted over the death in detention of Mr. Steve Biko, the South African black leader, Mr. Jimmy Kruger, the Minister of Police and Justice, refused to contemplate any special inquiry into his death.

calling it a revolutionary movement. Black communities throughout the country were braced today for possible disturbances in the wake of the black leader's death, which Mr. Kruger said yesterday had followed a seven-day hunger strike. But so far the only protest has been verbal.

Black reaction, in contrast to that of the white English-language press and opposition politicians, has played down the role of Steve Biko as an individual, and rather emphasised the whole movement for greater black emancipation. "We don't really concentrate on the particular individual," Mr. Thandiswa Mazibuko, Secretary General of the BPC said. "We are not taking Steve's death as an isolated incident. It is just part of what is happening throughout South Africa."

However, Mr. Kruger told the Transvaal Congress of the ruling National Party this afternoon that black consciousness was synonymous with black power, and its aim was to "overthrow the whole social structure in South Africa."

'I'm afraid I don't see any hope'

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

THE death in detention of Steve Biko, probably the most influential of the new generation of black South African nationalists, has provoked a series of shocked comments from abroad and from white liberals within South Africa itself. No black in South Africa would accept any suggestion that Biko's death, which according to the South African government followed a seven-day hunger strike, was suicide, said Mr. Fred Van Wyck, director of the Institute of Race Relations in Johannesburg. In the United States, Mr. Andrew Young, Ambassador to the U.N. and Senator Dick Clark, Chairman of the Senate Foreign Relations Committee, who both knew Mr. Biko, issued strong statements. Mr. Clark called for an impartial inquiry into Biko's death, which he termed "an outrage."

not help feeling, cannot have been surprised. I met Biko in March, 1976, not far from King William's Town, where he had been being re-educated. That was a full three months before the Soweto protests, following which he was arrested. He had said then that he believed there was a growing confidence among young South African blacks, brought about partly by the advent to black rule of Angola and Mozambique. Presently, he said, he thought students, rather than the more established leaders like himself, might lead the next round of protests, which could well be more violent.

Then and subsequently however Biko made clear that his organisation, the BPC, believed in operating as openly as possible. As he told Senator Dick Clark last December, he was looking forward to a non-racial just and egalitarian society in which colour, creed and race shall form no point of reference. We have deliberately chosen to operate openly because we have believed for a very long time that through the process of organised bargaining we can penetrate even the deafest of white ears.

But though he hoped for non-violent change, Biko had few illusions that change could come quickly. He urged all those who met him from the United States, Britain or other Western countries to pursue policies designed to improve the status and bargaining power of African workers. The major leverage blacks had was their labour—all of which, he said, sounded "an easy policy until you try to organise it." First was the legal problem—blacks were prevented from negotiating as trade unionists; those in non-official unions were "heavily intimidated" and the government was very careful not to allow trade unions to develop. Political meetings could not be held; and members of trade unions or of black consciousness movements were consistently detained.

Muslims demonstrate in Cairo

By Michael Tinsay

IN their most overt demonstration in years, members of Egypt's banned Muslim Brotherhood and their sympathisers gathered at dawn this morning in Abdin Square outside the Presidential Palace for public prayers. About 5,000 people assembled in the square from all over the city after word had been passed from person to person of what was called "a gathering of Muslim groups."

Morocco can't win desert war say captured men

BY A SPECIAL CORRESPONDENT

TINDOUF, Sept. 14.

SOME 200 Moroccan and Mauritanian prisoners of war held by Polisario, the Saharan nationalist movement, were presented yesterday to foreign journalists visiting a guerrilla camp in Polisario controlled territory, 20 miles west of here near the southern Algerian city of Tindouf. The prisoners were introduced by Ibrahim Ghali, the Polisario minister of Polisario's Saharan Arab Democratic Republic. Most of the prisoners were captured in the clashes during August, when Mr. Ghali claimed, Polisario took 152 prisoners, 121 of them Mauritanians and 31 Moroccans. In the war to end, he said, Polisario had taken over 1,000 prisoners.

me that he had been shot down by Polisario guerrillas on August 24 while flying his F5 jet fighter near the Western Saharan capital of El Ajun. Polisario's spokesman said his plane was on display yesterday. Lieutenant Ali told me that this plane was the third F5 fighter to be shot down by Polisario. In addition, he said, the Moroccan Air Force had lost one Fouga Magister, four T-8s, and a helicopter.

Sri Lanka expects new IMF loans

By David Housego

THE NEW Sri Lanka Government, which took office after the General Election in July, expects substantial loans from the International Monetary Fund and the World Bank.

Cholera spreads in MidEast

BY RICHARD JOHNS, MIDDLE EAST EDITOR

THE "ANGEL of Death"—as the British called the dreaded cholera during the mid-19th century epidemics—customarily outbreaks in a spasmodic appearance in the Middle East towards the end of the region's hot summer. The vibrio cholerae toxin which drains the afflicted body of its fluids and salts flourishes in hot weather in the parched months when drinking and washing water is most likely to be contaminated and the flies are at their thickest. But the latest outbreak is the worst for many years.

It was a bold move by Damascus, given the disease's desecrating for frontiers. However, the rapidity of the outbreak may have left it little choice. Startlingly fast, the disease has afflicted 2,100 people and caused 88 deaths, with only one of the country's provinces unaffected. A team from the WHO has been touring the country to inspect the measures taken to combat the disease. These include a public information campaign designed to warn the population of the dangers of the disease, restrictions on travel and fines for people disposing of rubbish in open containers. Last week Egypt, which probably has a more vexed experience of cholera, dispatched five tons of cholera vaccine. Syria's Minister of Health has asserted that the epidemic is now on the decline. Significantly—in what might be regarded as an interesting oddity footnote—most cases reported in Syria originated from the Yarmouk camp for Palestinian refugees whose population of about 75,000 lives in notoriously unhygienic conditions.

he in the "Fertile Crescent" which traditionally has been regarded as a far more hygienic region than the Nile or Euphrates valleys. In Jordan, the number of people admitted to hospital with the disease yesterday reached a total of 261. The disease has also spread—though in more limited form—to Iraq, Iran and Lebanon.

the border to the occupied West Bank, where the cases have been reported. The Israeli military government has placed restrictions on the import of goods from the territory and also through the "good fence" from Lebanon. There, eight cases had been confirmed by the end of the year. A special hospital has been assigned in Beirut to treat those suffering. There are particular fears about the spread of the disease in the southern border region, where the conflict between Palestinian guerrillas and Israeli-backed right-wing Christian militias continues.

AMERICAN NEWS

Increased information on LDC loans urged

By Mary Campbell

INTERNATIONAL financial institutions should give commercial banks more information to help them with their lending to less developed countries (LDCs), the International Finance Corp. (IFC), the private investment arm of the World Bank group, suggests in its annual report.

"Better information would enable (commercial bank) leaders to improve their own credit assessments," the IFC says. "With improved information, the private financial institutions should be in a position to provide loan maturities which would be more suited to the repayment possibilities of projects than is the case at present."

Quebec power price rise plan

By Robert Gibbons

MONTREAL, Sept. 14. HYDRO Quebec, the provincially-owned utility producing 80 per cent of Quebec's power, is proposing a 20 per cent increase in rates bringing in an extra \$245m. a year in revenues.

This is higher than had been expected. The proposal was put to a National Assembly committee by Mr. Robert Boyd, who recently took over as president of the utility from Mr. Roland Groulx. The object of the increase is to allow the utility to expand its self-financing and to encourage the rational use of power. The increase would be effective from January 1 next, Mr. Boyd said.

No details were given on industrial and commercial rates, but it is assumed that these will also be subject to the increase, except in specially negotiated rates for new industry. The largest single producer of private power in the province, Alcan, will not be affected.

One reason for the steep price rise is Hydro Quebec's need for \$245m. in each of 1978 and 1979 to meet the cost of completing the 5,000 MW Lagrange No. 2, generating station and dam at James Bay.

ON OTHER PAGES U.S. securities trading International Company News: VV increase share of home market 32-34 S.W. Africa pitched threat 37

Employers' split increase threat of dockers' strike

BY STEWART FLEMING

NEW YORK, Sept. 14

TALKS between the International Longshoremen's Association (ILA) and international shipowners over a new three-year wage contract covering U.S. east coast ports seem to have degenerated into complete confusion because of a split in the employers' associations. The International Dockworkers' Union, president of the New York Shipping Association, who has been leading the negotiations for the six port associations, confirmed this morning to a telephone interview that a Florida-based firm he did not know whether representatives of the other ports would be joining him for a bargaining session with the unions and planned for Thursday.

outcome of the meeting had been. A spokesman for the union, which represents the 35,000 dock workers in the east coast ports (Boston, Providence, New York, Philadelphia, Baltimore and Hampton Roads) said that the union had not issued any strike deadline. He said that the three-year contract runs out at the end of the month but the union was still hoping to reach an agreement.

There is growing concern, however, that because of the dispute between New York and the other port associations, there is a serious threat that the bid to agree a new contract will fall apart and therefore bring about a strike.

Schulze silent on budget goal

BY DAVID BELL

WASHINGTON, Sept. 14

THE Carter Administration has begun to back away a little from its earlier commitment to a balanced budget by 1981 in the face of what the President's chief economic adviser yesterday conceded was "a disappointing July in the economy in the past few months."

Mr. Charles Schultze, chairman of the Council of Economic Advisers, appeared deliberately not to mention the goal of balancing the budget, although he later said that it was not his intention to do so. Instead he was at pains to emphasise the flexibility of the Administration's position.

production and personal income figures due to be published are not expected to be good. On the other hand, latest retail sales figures, the strongest since March, should presage a healthy increase in new orders.

Counter-charge in Lance saga

BY OUR OWN CORRESPONDENT

WASHINGTON, Sept. 14

THE INVESTIGATION into the tangled affairs of Mr. Bert Lance, the Budget Director, who is a close friend of President Carter, took a fresh turn today when Mr. Carter's Press secretary admitted that he had passed on information to a Republican member of the Senate to a Chicago newspaper.

Mr. Jody Powell said that he had told a reporter on the Chicago Sun-Times about reports that Sen. Charles Percy, a leading Republican on the committee investigating Mr. Lance, had himself taken free rides on an aircraft belonging to the company headed by the 1960s Mr. Lance, due to defend himself against a charge Lance used to lobby for a fresh turn today when Mr. Carter's Press secretary admitted that he had passed on information to a Republican member of the Senate to a Chicago newspaper.

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Snakes and slippery ladders

BY DAVID WHITE IN BRASILIA

PRESIDENT Ernesto Geisel is engaged on what may be his last bid to set Brazil back on the track of political liberalisation. Some of the MDB believe that a compromise of this sort with sagas are faithfully transmitted around the name of his successor, to be announced a year from now, the 69-year-old general seems determined to give the next man a more democratic ticket. But many members of the opposition, feel that they have been there before.

Close associates of the President's to the National Renovating Alliance (Arena), the government half of Brazil's two-party system, are floating a plan for bringing back constitutional rule at the end of his presidency in early 1979. Discussion of the plan would be opened next year, a revised constitution put to the outgoing Congress after elections had taken place in November.

Brazil already has a constitution, but it also has army rulers who have flouted it by dictatorial decree. Gen. Geisel himself has found himself using the "Institutional Acts" with increasing frequency against the opposition Brazilian Democratic Movement (MDB).

In the last six months, he has closed and re-opened Congress, overridden its vote changed the voting requirements for constitutional Bills, and remodelled the election system so as to keep the MDB as far as he could in the lower house. Sr. Alencar Furtado, went the way of several of his colleagues and lost his seat for saying on television what he thought about the measure. Political broadcasts were then banned altogether and the fate of Sr. Furtado's fellow speakers suppressed at the mercy of the Supreme Federal Court.

Pressure for more democratic rule is building up in key sections of the establishment.

Assembly has been ruled out by the military. So another head-on clash with the military forces is inevitable. In the political arena, snakes and ladders, this square would be marked "Go back to April." On the one occasion when the MDB, its resolve doubtless strengthened at the time by the change of government in the White House in Washington, called the Government's bluff by using the power it then had to block constitutional changes (the Government was putting through a Bill reforming the courts system) it precipitated the biggest crisis of the Geisel administration.

The other square that has to be passed before the Government is prepared to implement a new constitution is the November 1978 election. Despite the restrictions, the MDB could still win in the lower house. Gen. Geisel has repeatedly returned to the present two-party system, now one of the greatest embarrasments in the way of representative politics, at least until after that election, when if the court system is returned to its normal state, the Government will be allowed, but no stage appeared to contemplate a compromise freeing of party activity or of trade unions.

Some of the MDB believe that a compromise of this sort with sagas are faithfully transmitted around the name of his successor, to be announced a year from now, the 69-year-old general seems determined to give the next man a more democratic ticket. But many members of the opposition, feel that they have been there before.

rule is building up in key sections of the establishment. But the intentions began to run aground after the first year. The army hierarchy, whose message are faithfully transmitted around the name of his successor, to be announced a year from now, the 69-year-old general seems determined to give the next man a more democratic ticket. But many members of the opposition, feel that they have been there before.

HOME NEWS

Thatcher denies Tory split over closed shop

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Sept. 14.

MRS. MARGARET Thatcher, the Conservative Party leader, today praised the economic disciplines imposed on Britain by the International Monetary Fund.

At a Press conference here on the first day of her visit to the United States, she had been asked if Britain were to repay its indebtedness to the IMF and theoretically free itself of the current constraints on policy, voluntary adherence to similar disciplines would be no bad thing.

Mrs. Thatcher made it clear that she was opposed to any substantial relaxation of the British economy in the near future because of the inflationary risks involved.

However, adhering to the tradition of running down the Government in power while overseas, she eschewed specific criticisms of current Government policy, either on economic or foreign policy.

In speeches and interviews during visits to New York, Houston and Washington, she has repeatedly criticised the shortcomings of socialism in Britain and promised that, if she becomes Prime Minister, she would remove incentives to British economic life.

This morning she was again pressed to explain her position on the closed shop system. She denied that there was any split in the Conservative Party hierarchy over the issue and stated that Conservative policy on the closed shop had been unchanged for the last two years.

Moderate viewpoint

This, she said, was based on the realisation that there was no point in repeating the unsuccessful experiment of 1971, in outlawing the closed shop, but that important amendments to current law should be enacted.

These included the provision of compensation to be paid to anybody who was dismissed from his job for refusing to join a union, the right of appeal to a court of law in such cases, and the stipulation that the closed shop should only be applied to new industries and ventures, not made compulsorily retroactive. She was careful to point out in advance this moderate viewpoint, which may not sit well

with more militant elements in the Conservative Party, that in some industries the closed shop could work well.

The important question, she stressed, was whether new legislation would be effective. "I haven't the slightest intention of not learning from experience," she stated, implying that the 1971 experience should not be repeated.

Much of her Press conference today was devoted to her attitudes on Rhodesia in particular, and Southern Africa in general. In her remarks Mrs. Thatcher broke no new ground, although it is clear that if she becomes British Prime Minister and if the Carter Administration's African policies continue on their present course some differ-

We expect to govern says Sir Keith

By Philip Rawstone

SIR KEITH Joseph, Conservative industry spokesman, yesterday denied there was any deep division in the party over policy towards the trade unions.

But at the same time the Tory Right-wing, Selsdon Group warned that only a programme of denationalisation and the end of wage controls could prevent confrontation between a future Conservative Government and the unions.

"We expect to govern, to set the framework in which unions and everyone else follow their own interests within the law," Sir Keith said in an independent Television News interview.

He agreed there was a "difference of emphasis" about the Scarman Report on the Cronwell dispute between himself and Mr. James Prior, the Party's employment spokesman. But he rejected the idea that his stand was likely to provoke confrontation with the unions.

"Mr. Prior's job and his interest is to work with the union leaders. He's in constant touch with them and that is fine," Sir Keith said.

Objective

"But when an issue comes up like the Scarman Report, one has to judge it on its merits. The trade unions aren't, or should not be, outside the law and should not be outside comment."

"I made no comments on the Scarman Report that are not in my view objectively justified."

This was the only area of difference, Sir Keith continued. He stressed his agreement with party policy in rejecting proposals to legislate against the closed shop.

Confrontation with the unions, was not inevitable unless the unions are looking for it.

But the executive committee of the Selsdon Group, in a statement last night, said that Sir Keith's division over policy towards the unions went much further than the differences so far brought into the open.



Offers of over £1m. are expected for Britwell House, Oxfordshire, home of Mr. David Hicks, the interior designer, and Lady Pamela Hicks. The house was built in 1728-29 and stands in 150 acres at the foot of the Chilterns.

Civil Service union attacks recruitment of 'high flyers'

BY DAVID CHURCHILL, LABOUR STAFF

THE SYSTEM of recruiting "high flyers" into the Civil Service has produced a "privileged elite" and should be scrapped, the union representing Civil Service managers says today.

In evidence to the Whitehall review of the administration trainee scheme, which began work this week, the 100,000-member Society of Civil and Public Servants presents statistical evidence showing that "high flyers" from the "right" social background dominate the scheme.

This has totally discredited the administration trainee scheme, says the union, and "created an

elite like the old administrative graduates are selected and given accelerated promotion. They are cosseted in such Whitehall jobs instead of dirtying their hands with the mundane but vital work of the Civil Service, like social security offices," the union says.

In place of the scheme, the union suggests a more broadly based recruitment scheme with civil servants who have proved their ability at work — rather than by background — gaining promotion to the senior posts.

The union has presented similar evidence in the general sub-committee of the Commons Expenditure Committee whose report on the Civil Service is due out today.

Computer cash aid scheme

BY CHRISTOPHER DUNN

SMALLER manufacturing businesses are to get cash aids to encourage more use of computers in production, under a Department of Industry scheme announced yesterday.

The scheme will last three years, costing about £350,000. Some 70,000 companies employing 500 workers each will be eligible.

The Industry Department will pay independent consultants up to £2,000 to make feasibility studies for small companies about installing computers to

improve their productive efficiency.

The studies would work out the most effective way for a company, using a computer, to buy stocks, cut its order-book and organise production sequences in the workshop. Poor organisation of these vital details can often add substantially to costs.

Most smaller companies have some experience of using computers to prepare accounts. But few have the financial muscle to

commission a study of production methods. The scheme is designed to take the risk out of this.

It is an extension of a pilot operation, set up five years ago by the Blackest Production Control Group, part of the Atomic Weapons Research Establishment at Aldermaston.

Since 1972, PCG has organised demonstrations on the benefits of computers in production.

Retail buying group 'should expand'

EXPANSION OF Associated £50,000 a year should consider independent Marketing, a joining this group, set up in retailer-controlled buying group, 2007. It has 88 members.

The working party, acknowledged that existing buying Drapers' Chamber of Trade as the best way of helping medium-sized drapers compete with the multiple chains.

After a year, a working party set up by the Chamber concluded that retailers interested in the concept of a voluntary buying group and with sales of over

End urge to heads high job security

By Michael Dixon, Education Correspondent

AN END TO the present job-security of head teachers urged by a mixed-party Committee of MPs yesterday after a long investigation of educational standards.

The committee—headed by Miss Janet Fookes (C. Pkg Drake)—also challenges teachers' unions by calling the use of volunteer help and qualified teachers in teaching serious work among children in reading and basic mathematics.

But the most controversial MP's 26 recommend a change in one of the tenure of jobs for: appointed as heads of schools. The power and influence of head teachers: their competence: crucial the Commons committee: which also recommended heads be given training school management and they should in future be selected according to nationally criteria.

According to one witness the inquiry, the report: the selection of heads: y

More Home News Pages 9, 10 and 11

present often "done with unbelievable coolness and in some cases almost 'frivolously'."

Once selected, head teachers should be given limited control and have their performance assessed by "an independent and acceptable agency against previously agreed-ures of success. The agencies would be subject appeal."

The proposal of limited was immediately attacked "impracticable" by Mr. Swallow, a senior officer National Association of Teachers, which has about members in State schools.

The report's other recommendations, intended to improve the education of school for work and other aspects adult life, include:

- Employers should at the mathematical require of various jobs and compare these to maths teachers;
- The Secretary for Education should set up an inquiry into the teaching of maths;
- Government, the CBI, and individual employers work to improve consultation between the working world schools.

Tenth report from the Education Committee—House Commons Paper 825—mainly of the School's S.O. 11.10.

SUPPLEMENTARY BENEFITS REPORT

Wages mostly well above benefits

BY ERIC SHORT

VERY FEW people below pension age receiving supplementary benefits would be worse off if they were in a job, according to the Supplementary Benefits Commission's annual report for last year.

In practice, it says, the general level of supplementary benefit was already well below the wages paid for even the least skilled work.

The report points out that in making a comparison, account has to be taken of the tax, rent and insurance contributions a worker must pay and the mean-tested benefits he receives, such as family income supplement, free school meals and rent and rate rebates.

The Commission finds that it is only in larger families that supplementary benefits may exceed the income that such families could earn by working. It is estimated that in December 1976 these families constituted only 3 per cent of claimants of all categories, and only 7 per cent of claimants who were unemployed.

The latest figures show that little more than 1 per cent of all families where the head of the family was working would get a higher income through benefits.

The report is particularly scathing about people who, during the past year, have tried to persuade the country that many chose to live on supplementary benefits because it gives them a

higher income than they can get from work.

No evidence has been produced by such people to support that conclusion, the report says, and they have revealed only their

ignorance of the living standards, the feelings and frustrations of the vast majority of unemployed claimants. This report is the second pro-

duced by the commission since 1975 when Mrs. Barbara Castle, then Secretary for Social Services, invited it to produce reports in which it could comment freely on developments and priorities within the Social Security sphere.

The reports were also to provide factual information and official statistics concerning the commission's operations.

Prof. David Donaldson, chairman of the Commission, who introduced the report yesterday, emphasised that the views expressed were those of the commission and did not necessarily represent Government policy.

The report concluded that although benefits had not fallen behind movements in prices and wages, they were still inadequate when compared with wages paid for even the least skilled work.

But it admits that the simple solution of raising benefit could cause considerable complications, least of all providing some incentive to stop working.

Therefore it sees the answer in making substantial increases in child benefit levels to the level of supplementary benefit allowances for children—on present rates the average payment per child is £5 per week compared with the proposed child benefit payment of £2.30 per child from next April.

The commission also considers that there should be a single, simple system of income-related

housing benefits administered by local authorities.

This would replace the present complicated system of rent allowances and rebates, rate rebates, tax relief on mortgage interest payments, the option mortgage scheme and the separate provision for rent and rates made under the supplementary benefits scheme.

At present, claimants have to decide whether they would be better off staying on supplementary benefits or applying for housing from the local authority. A new, simple scheme would ensure that people got the same help in paying for housing whether or not they were working.

On the commission's operations for 1976, the report revealed that about 5.7m. claims were made for supplementary benefit, an increase of 11 per cent over the previous year. About 51 per cent of these claims were successful.

In total, 2.94m. people were receiving supplementary benefits of whom 1.65m. were pensioners. Altogether, taking into account recipients and their dependants, 4.31m. people — one in ten of the population — were supported to some extent last year by supplementary benefits.

The estimated annual cost of payments last year was £2bn. and administrative costs totalled £150m. The significant feature last

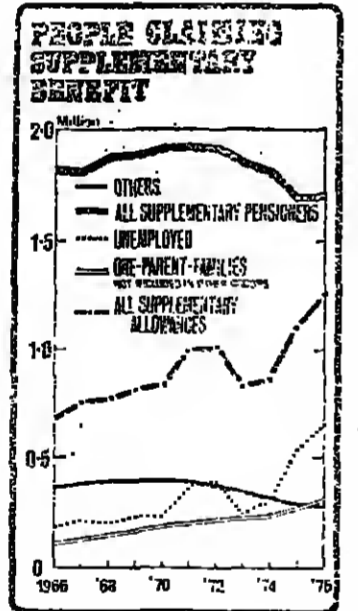
year was the growing number of unemployed people on supplementary benefit and the increasing length of time they spent out of work. Last year, more than 650,000 unemployed people claimed benefits and Professor Donaldson pointed out that this was approaching the numbers of unemployed being financially supported in 1955 when the Old Unemployment Assistance Board began operations.

The report expressed its deep concern for the unemployed and jointly stated that the commission was not satisfied with the present arrangements for helping the long-term unemployed to find work. It has arranged for a joint study with the Manpower Services Commission to examine how best to provide the services required by people who have difficulty in establishing themselves in regular work.

In the meantime, it considers that the unemployed should be entitled, like other claimants, to the long-term rate applicable after two years of continuous benefit. This rate is about 20 per cent higher than the basic rate.

The other main areas of concern the Commission mentioned were the growth in the number of discretionary payments made, the need for equal treatment for men and women, and the growing work load on the commission's staff.

Supplementary Benefits Commission Annual Report 1976. Cmnd. 6912. SO Price £1.15.



	Exports		Imports		Terms of trade 'Unadjusted 1970=100	Oil balance
	£m. seasonally adjusted	Value	£m. seasonally adjusted	Value		
1976 1st	5,642	6,180	1,322	1,262	81.4	-1
2nd	6,242	7,149	1,378	1,347	80.0	-1
3rd	6,429	7,573	1,349	1,380	80.3	-1
4th	7,103	8,085	1,415	1,382	79.1	-1
1st	7,400	8,402	1,412	1,423	80.4	-1
2nd	8,036	8,732	1,493	1,439	80.1	-1
March	2,504	2,747	143.3	139.4	80.0	-1
April	2,649	2,783	149.9	138.7	79.4	-1
May	2,612	2,877	145.4	142.4	80.7	-1
June	2,775	3,077	152.5	150.7	80.2	-1
July	2,741	2,971	153.3	149.0	80.1	-1
August	2,773	2,632	150.2	131.2	82.5	-1

* The ratio of export prices to import prices

The large underlying improvement in Britain's trade position is shown by a £256m. drop in visible deficit to £386m. between the last two quarterly periods.

This owed little to special factors and would have been even larger but for an adverse impact of about £150m. from imports of North Sea installations.

About two-thirds of the underlying change was attributable to a drop in the visible deficit on oil trade. This has been running at less than 60 per cent. of the figure of a year ago, and export prices have continued to rise steadily up 2 1/2 per cent. on a three-month comparison and by 17 per cent. in the last year—which is likely to intensify the controversy over exchange rate policy and the loss of price competitiveness so far this year.

There's only one word to describe

Handwritten signature or mark at the bottom of the page.

HOME NEWS

Labour's plans for the building industry opposed

OUR BUILDING CORRESPONDENT

LABOUR Party's plans for the construction industry's future were described yesterday as "economic and ludicrous" by the National Union of Building Trades leaders.

A policy document drawn up by the party's National Executive Committee and due to be presented at its annual conference for approval, calls for partial nationalisation of the construction and supply industries.

The document calls for state ownership of at least one major engineering and civil engineering firm and the setting up of a public procurement agency to manage the letting of public contracts.

In a speech made yesterday at Exeter, Mr. Peter Morley, secretary of the federation, said the proposals had to be taken as the threat of a least partial nationalisation of the industry is "fast becoming a real



Mr. Peter Morley: bureaucratic blueprint.

contingency. "We have to consider the possible establishment of a public sector to supervise the letting of public sector contracts, a selective public ownership of building materials sector and a new state holding company to reform the professions and the creation of a central agency to facilitate the design and development of authorities' direct labour organisations."

Morley said that in spite of the EC's assurance that it was working down a "bureaucratic

appeared to be precisely the case. The committee says the proposals add up to a new deal for our industry promising greater security for its operatives, more economic stability and social accountability. Our industry certainly needs a new deal but it will not come from these proposals.

The federation, he added, was looking for some reflationary measures from the Chancellor this autumn to help revive the industry's output levels, and the removal of disincentives to encourage investment by private industry.

Leeds has most expensive offices outside London

JOHN BRENNAN, PROPERTY CORRESPONDENT

OFFICES in Leeds are the most expensive in the country after London, according to a national survey of business rents and office costs by the Chartered Surveyors Debenham Tewson and Lockes surveyed 10 provincial office centres. Results showed that in the past five years office rents increased more than 160 per cent in the City of London and by an average 80 per cent in provincial cities. The weakness of office rents in 1973 has emphasised the need for rate charges. In

1976-77 rates accounted for 98.7 per cent of average office costs in the City of London. Rates as a percentage of rents account for half or more of office costs in Leicester, Manchester and Sheffield.

Total rent and rate costs in Leeds are £5.04 a square foot, with combined costs of £4.07 a square foot. Manchester is third place, with combined office costs of £2.77 and £2.67 a square foot respectively.

Project launched to make insulation from waste

RAY PERMAN, SCOTTISH CORRESPONDENT

A COMPANY to manufacture industrial insulation from re-processed waste is being set up in Scotland with financial help and participation of the Scottish Development Agency and ICFE. Machinery will cost £15,000 to take a

25 per cent equity stake each in the new firm, which will be called Diversified Insulation. A factory is being leased from Livingston New Town Development Corporation. Machinery is on order from the U.S.

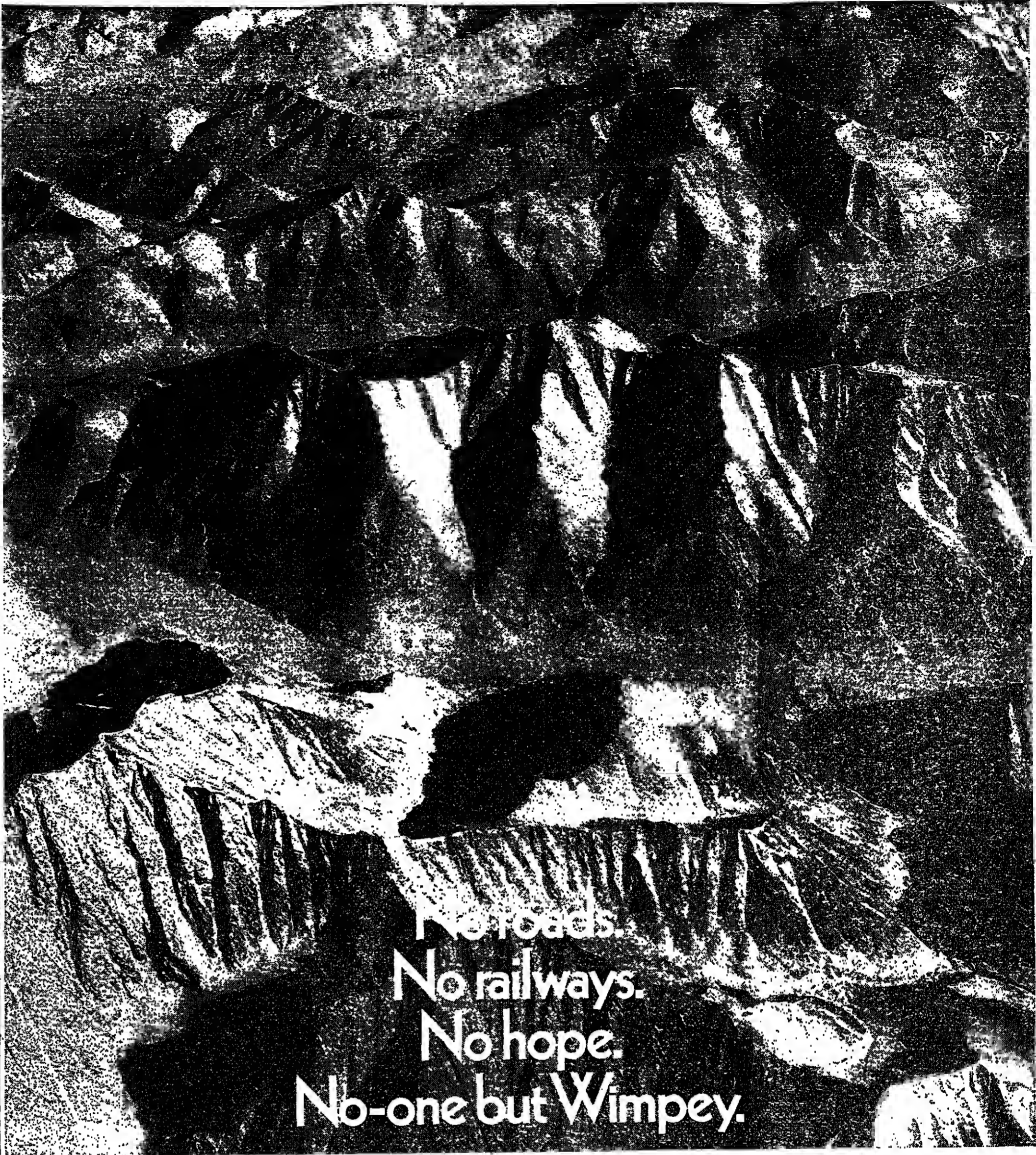
NCB tests Scots reserves

OUR SCOTTISH CORRESPONDENT

NATIONAL Coal Board will spend more than £300,000 on a programme to test the reserves at Happenden, Warwickshire. The Board's Scottish area offices there could be 120m. of workable coal under the line zone, which is about two miles by one and a half miles. There are old colliery workings on the site. A bore put down in 1951 showed 12 seams of more

than 48 inches. Planning consent has already been given for the programme, which will consist of two bores 2,300 feet deep, and one 4,000 feet deep—among the deepest ever sunk to prove coal in Scotland.

This is part of the attempt by the Coal Board to find enough coal in Scotland to maintain the capacity of the mining industry into the next century.



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our home ground. We are Europe's leading contractors so naturally we do many everyday tasks. But when we take on a project in difficult country we'll move in everything normally taken for granted, from our own fuel supplies to all that our labour force needs to live and work efficiently. In a world that must reach out further and further for life's necessities, Wimpey is one


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HOME NEWS

State's North Sea royalties total £100m. in six months

BY RAY DAFTER, ENERGY CORRESPONDENT

PRODUCTION from North Sea oil and gas fields is starting to provide significant income for the Government. Royalties in the first half of this year amounted to £100m. It is estimated that royalty revenues will reach £300m. between 1977 and 1980.

This income, which may be running at an annual rate of £350m. in the mid-1980s, is in addition to the balance of payments benefits arising from the displacement of imported oil.

The figures were announced yesterday by Dr. Dickson Mabon, Minister of State for Energy, during the opening of the Offshore Europe '77 Conference in Aberdeen.

He also gave a warning that the North Sea "should not be seen either as a once-and-a-vanished income tax cut or a sort of national win on the football pools." Revenues from the North Sea should be used to improve the general economic base of the country, to improve living standards and to develop alternative sources of energy.

Dr. Mabon warned that a lot of convincing by the companies during our consultations on the current rate of exporting North Sea oil from Britain, which was of the order of 40 per cent, this year against the one-third Government guideline, could not be expected to continue. "Since last autumn, the low about two-thirds of U.K. demand, it was expected that this year would prove to be the busiest in Europe and North America, and there has been an advantage in seeing a considerable amount of oil so abroad. Dr. Mabon said about £5bn. "Nevertheless, a small need would probably be spent on

Optimism at John Brown yard

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MANAGEMENT and unions at the John Brown subsidiary of John Brown Engineering, yesterday expressed optimism about their chances of preventing the closure of the Clydebank yard with the loss of 600 jobs. About 300 staff and hourly paid employees lost their jobs at the beginning of the month as the workload declined. The company

North Sea projects in the next three or four years.

One of the earliest benefits of North Sea oil had been the development of an effective and successful British offshore supplies industry. In the first quarter of this year U.K. suppliers obtained almost two-thirds of the offshore contracts.

More orders were on the horizon. Oil companies were expected to announce development proposals for six to eight fields in the next year.

Although there had been a period last year when Labour relations had been bad this problem had been ironed out after talks between the company, the Confederation of Shipbuilding and Engineering Unions and the joint shop stewards committee at the yard.

Frigg gas arrives in Scotland

By Our Energy Correspondent

NATURAL GAS from the Anglo-Norwegian Frigg Field is arriving in Scotland, marking a new phase in the development of the British gas industry.

The gas, shipped in test quantities, has been pumped to St. Fergus gas terminal, near Peterhead.

Expand

Supplies should build up to 1.5bn. cubic feet a day over the next two years, enabling the British Gas Corporation to expand its sales to private, commercial and industrial customers.

Up to now all natural gas has been produced from fields in the southern sector of the North Sea.

British Gas said yesterday that it would receive contract quantities of Frigg gas next month. By then the whole of the U.K. gas network would be converted to natural gas.

Higher prices for plastics sought by ICI chief

BY KEVIN DONE, CHEMICALS CORRESPONDENT

ON THE EVE of the opening brought on-stream in Norway of Europe's foremost plastics (Sagat), France (CDF) and West exhibition in Birmingham to-day, Germany (Bayer), adding a Imperial Chemical Industries has further 350,000 tonnes capacity, launched an initiative to raise the equivalent of up to two years' growth for the current plastics prices in Europe.

Mr. Tony Pike, polyethylene division director of ICI's plastics division, have fallen from appealed yesterday in European DM1.60 (39p) per kilo in June producers in "grow up and last year to about DM1.20 (30p), mature, and compete at sensible last year an initiative by the price levels" in line with U.S. U.S. producer, Unim Carbide, to raise prices to DM1.42 per kilo. Mr. Pike was hopeful that this new price level would now be established. However, a polyethylene (LDPE), polypropylene (PP) and polyvinyl chloride (PVC), is particularly concerned kilo was needed to justify the investment, and this was unlikely to be reached next year.

This year ICI will produce about 350,000 tonnes of LDPE at plants in the U.K., France and Holland, but it is operating at only about 75 per cent. capacity.

The future for polypropylene, which is growing at 10 per cent. a year, is more promising. This year the market in Western Europe has grown by 16 to 17 per cent. according to ICI, to reach 930,000 tonnes. Total production of polypropylene in 1980, ICI's division is considering new capacity of 5m. tonnes. The problem will be further Western Europe. But no plans exacerbated as new plants are being realised.

Delays put £50m on cost of plant

By Kevin Done, Chemicals Correspondent

THE BIG ethylene plant being built at Imperial Chemical Industries' Wilton site in Teesside is at least a year behind schedule and costs are increased dramatically.

Mr. Jim Stewart, deputy chairman of ICI's petrochemicals division, said yesterday that the cracker was scheduled for completion this year but is unlikely to be finished before the second half of 1978.

A senior industrial expert said that the cost of the plant, originally estimated at £174 million, would now exceed £200m. It is possible that the cost of the cracker—being built jointly by ICI and British Petroleum—will have almost doubled by the time it is completed.

Mr. Stewart said that delays had been caused primarily by three factors: the failure to complete the design stage in time; the late delivery of equipment and poor productivity on site caused by absenteeism and a series of local and national stoppages.

The two companies want to have the plant, which will have an annual ethylene capacity of about 500,000 tonnes, completed as soon as possible.

However, demand is so high that ICI is seeking to meet its needs from a single 450,000 tonnes a year cracker at Wilton.

Its other ethylene plant at Teesside, with a capacity of 200,000 tonnes a year, has run out of commission since beginning of this month. It might remain out of commission until market conditions improve.

Mr. Stewart said yesterday that the year the company's oilfield plants had been operating at only about 80 per cent. capacity.

The scale of the cost escalation facing the petrochemical industry is shown by the fact that the last major cracker built by ICI, with a capacity of 450,000 tonnes, was completed in 1970 at a cost of only £75m. Britain's biggest oil refinery, at a cost of £550m, is being built at a site near Pembroke approved by South Pembroke District Council yesterday. The approval was subject to a long list of conditions for the development that a partnership of the Teesco and Gulf companies is to build alongside the existing Teesco refinery. The application has to be considered by Dyfed County Council next month.

Uranium enrichment plant opens today

FINANCIAL TIMES REPORTER

THE FIRST centrifuge uranium enrichment plant opening today at Capenhurst, near Chester, is a consortium of France, Belgium, Italy, Spain and the U.K. The plant is committed to cost five times to 1,000 tonnes a year.

Although this process is still in the early stages, it is felt that it will be useful in reprocessing uranium at less than a tenth of the electricity needed by the diffusion process.

Nuclear Fuels will be about 10,000 tonnes of depleted uranium from this source in stock, about half of which could be converted to the natural equivalent and other sources which could be worth the capacity to 2,000 tonnes a year by 1984.

Capenhurst has had a history of freedom from accidents. The last major accident was a main pipe rupture in 1962, which was put off by the plant in Holland. The process is almost as safe as the diffusion process. The new process is centrifuge plants. Japan is expected to continue by this thought to be six or seven.

New radiation safety criteria to be studied

BY DAVID FREUD, INDUSTRIAL STAFF

NEW SAFETY criteria for the radiation will be considered by the Commission next month by the National Radiological Protection Board. The new criteria—which cover professional and medical exposure to X-rays as well as limits in nuclear power stations—have been proposed by the International Commission on Radiological Protection.

They amount to the first major review by the Commission in 11 years. Although overall safety limits remain the same, the new criteria measure radiation levels differently. The criteria at present prevail in the Commission's report.

Previously, the genetic effect was regarded as the most important. The new view is that the induction of malignant diseases like cancer is a greater threat.

Recommendations of the International Commission on Radiological Protection (1977) ICRP Publication 26: A Summary. National Radiological Protection Board, SO, 21.

EEC information office wanted in Belfast

BY OUR BELFAST CORRESPONDENT

MR. ROY JENKINS, President of the European Commission, is likely to face strong demands for the establishment of an EEC information office in Belfast, when he visits Ulster next month. The Northern Ireland Council of the European movement is intensifying its campaign to secure an office for the city and will seek a meeting with Mr. Jenkins.

Mr. Roy Bradford, the council's chairman, said he would argue that Belfast was more in need of an information office than Cardiff or Edinburgh where they have already been established. Ulster's 26 local councils had signed a petition seeking an office and this would be forwarded to the European Parliament.

Mr. Jenkins will visit the province on October 20 as a guest of the local branch of the British Institute of Management. He is expected to have talks with Mr. Roy Mason, the Ulster Secretary, and with leaders of industry.

THE BUILDING of new council homes for Northampton is to be halved and more than £1m. diverted by the council in providing mortgages to private house buyers because almost 3,000 houses are standing empty there at a time when nearly 1,800 people are on the council's housing waiting list.

Most of the empty houses are privately owned. "This would be a dynamic stimulus bringing the economy into balance again."

The resolution also calls for an associated "free industrial estate" which would exempt users of port and estate from import duties, VAT and other taxes.

Liverpool's Resolution is the first occasion a major U.K. local authority has called for free port facilities. The idea was originally proposed by Mr. Carr six years ago, but not approved by the council until now.

Pay rule 'key to plan for industry'

By Ray Perman, Scottish Correspondent

THE GOVERNMENT'S efforts to carry out its industrial strategy will be wasted unless inflation can be controlled and the 11-month gap between wage settlements observed, Mr. Great MacKenzie, Scottish Industry Minister, said yesterday.

He told a conference on small companies, organised by the Scottish Council for Development and Industry, that the programme being undertaken by the National Economic Development Office was intended to analyse and tackle the problem facing British industry and to investigate how it could achieve its full potential.

Nearly 40 working parties drawn from management, union and Government, were devoting considerable energy to studying key sectors of the economy as the Government was monitoring and acting upon their findings.

The working parties had set targets in terms of increase exports and import substitution and if they could be achieved there would be a gain to the balance of trade of £3bn. a year by 1980.

Mr. Leslie Hückfield, Minister of State for Industry, toured Scottish shipyards and factories yesterday. Afterwards he told Glasgow's Glasgow Labour Party that since the Government came into office in 1974, it had made 518 offers of selective financial assistance under Section Seven of the Industry Act.

For Scotland alone, the estimated total investment had been £80m., involving 66,000 jobs.

Rescue plan for Liverpool

BY DAVID FREUD, INDUSTRIAL STAFF

LIVERPOOL COUNCIL has forwarded a resolution to Mr. James Callaghan, the Prime Minister, calling on the Government to make the city a free port.

The move has been made at a time when unemployment in the Merseyside area is running at more than 12.5 per cent. Mr. Cyril Carr, the Liberal leader who proposed the resolution, said yesterday: "I can't see any other way of getting our economy buoyant enough to make any impact on unemployment."

Most other countries in the EEC have free ports. Notable examples include Copenhagen and Hamburg. There is a small tax-free trading estate at Shannon airport in Eire.

Mr. Carr said he planned to propose to Mr. Callaghan that it made a similar move. The £62 million would then be made a bonded land bridge between the two ports.

Shippers would find it cheaper to use the land bridge than go all the way through the English Channel, especially if U.S. trade

New Issue September 15, 1977

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HOME NEWS

Cable and Wireless profit leap expected

JOHN LLOYD, INDUSTRIAL STAFF

PROFITS of State-owned Cable and Wireless, which will be reported to Parliament early next month, should show a massive leap over last year...

Growing concern at drink problem

BY CHRISTOPHER DUNN

About 11 in every 1,000 adults in Britain have a serious drink problem, according to a report published yesterday...

Government urged to spend more on alternative energy forms

BY RAY DAFTER, ENERGY CORRESPONDENT

THE DEPARTMENT OF Energy is under attack from MPs for being too complacent about the development of new forms of energy.

Two reports of the Select Committee on Science and Technology say that Government spending on renewable sources of energy has been "grossly inadequate" and that its attitude to a possible tidal power project has been "excessively timid."

vehicle for the assessment of alternative energy sources. As a result, it was felt that ACORD should revert to its original role of providing advice on the research programmes of the nationalised fuel and power industries.

A new body, possibly called the Advisory Council on New Sources (ACNS), should be set up and, along with other advisers, should be asked to produce a separate report on the prospects for a Severn Estuary barrage.



Mr. Arthur Palmer, Labour MP for Bristol N.E., and chairman of the select committee.

installs costs, subject to a maximum of £400. The Building Societies Association should be contacted with a view to overcoming the difficulties of property valuation in the initial stages of market penetration of new energy systems, like those involving solar energy.

Tidal power is thought to be so promising that the committee has produced a separate report on the prospects for a Severn Estuary barrage. Mr. Palmer thought that Mr. Benn was more sympathetic to such a project than many of his predecessors and that the report would encourage the Minister to proceed further.

A detailed study might cost between £4m and £6m, but this was not excessive in view of the size of the project. A scheme involving the construction of a double basin generating irrespective of the state of the tides—might cost £4m, according to the Department of Energy and £7.7m on the basis of Central Electricity Generating Board estimates.

Mr. Palmer thought that CEB might be persuaded to contribute to the study although they would probably be "less than enthusiastic." CEB has many reservations about a barrage scheme. The Government might be persuaded to contribute to the study although they would probably be "less than enthusiastic."

A very large double-basin scheme might produce a net annual output of about 21,000 gigawatt hours, almost seven times as much electricity as generated by a single Magnox nuclear station.

Much more needed to be known about the effect of a barrage on the tidal regime, the environment, shipping, agriculture, Estuary, SO, 70p.

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Aims book urges tax cut

FINANCIAL TIMES REPORTER

THE U.K. can not have fewer policies. Better management of the economy could cut unemployment to about 300,000. Taxes, like the employers' surcharge on social security, which increases the cost of labour, should be cut.

Full Employment and Public Spending, by Ronald Burgess, Aims for Freedom and Enterprise, 3 Plough Place, Fetter Lane, London EC4, 50p.

Entry point

The aim was to provide an alternative to prison for drunks who broke the law and give them an entry point to services for treatment and rehabilitation.

Miss Friend also warns about the shortage of qualified nurses faced by many hospitals, especially in the London area.

There were 20 per cent more nurses in 1975 than four years before. But shortages persisted in specialist areas like children's nursing, intensive care, theatre nursing and night duty.

Nursing, 1974-76—Report of the Chief Nursing Officer of the Department of Health and Social Security, Free from DHESS, Room 2043, Alexander Fleming House, London, S.E.1

New body

The report points out that in 1975-76 the department spent £2.7m on research and development on renewable sources and energy conservation compared with £148.2m spent on the same sort of work in the nuclear field.

Windscale sums wrong by 400%, says economist

BY IAN BREACH IN WHITEHAVEN

BRITISH NUCLEAR Fuel's proposed reprocessing plant at Oldham Atomic Energy Authority, Windscale could cost more than four times the figure quoted by the company, an economist told the public inquiry into the plan for reprocessing spent fuel from thermal reactors had been given a witness for the objectors — as £70,000 per tonne.

If the British Government were to approve the construction of a reprocessing plant by BNFL, it could hardly Bank Polytechnic, London, said approve the contract price — that German estimates for the cost of building a similar plant — without building a major dig economy into the reprocessing trade from the start.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

CONSTRUCTION

Giant on tracks

CATERPILLAR has unveiled its latest development, the D10 model, which is longer than the previous model. It describes as the world's biggest and most advanced track-type tractor, for bulldozing, ripping and push-loading on large mining operations, dam and airport building.

The D10 model has been built with extensive design modifications compared with the next largest machine in the family, the D8. The most significant of which is the fact that drive sprockets are located above the track roller frames and thus no longer help to support the machine.

This means that drive sprockets will be protected from shock loads while a resilient undercarriage design will help to increase traction and cushion the ride.

Another facet of the design is greater ease in dismantling compared with previous models, which also means that maintenance, as well as transport, is facilitated.

Power from a 700 hp diesel drives the machine, which measures 30 feet in length by 12 feet wide and 15 feet high.

METALWORKING

Getting to grips

ALTHOUGH had work-holding relationships, improvements in can spoil the product of sophisticated machine tools. Little attention is paid in training and practice to this aspect of manufacturing by comparison with the amount of time devoted to numerical control theory and operations.

So that machine tool users can obtain a quick overview of modern work-holding equipment and method for both rotating and non-rotating workpieces, the Machine Tool Industry Research Association is to provide a one-day seminar at its Macclesfield headquarters on November 8.

Concurrently there will be an exhibition of the latest equipment available and speakers will be drawn mainly from developers of the various types of units available on the market.

The audience aimed at will be the planning and production engineers as well as the manufacturers of machine tools.

More from MIRA, Hulley Road, Macclesfield SK10 2NE. 0625 2542L.

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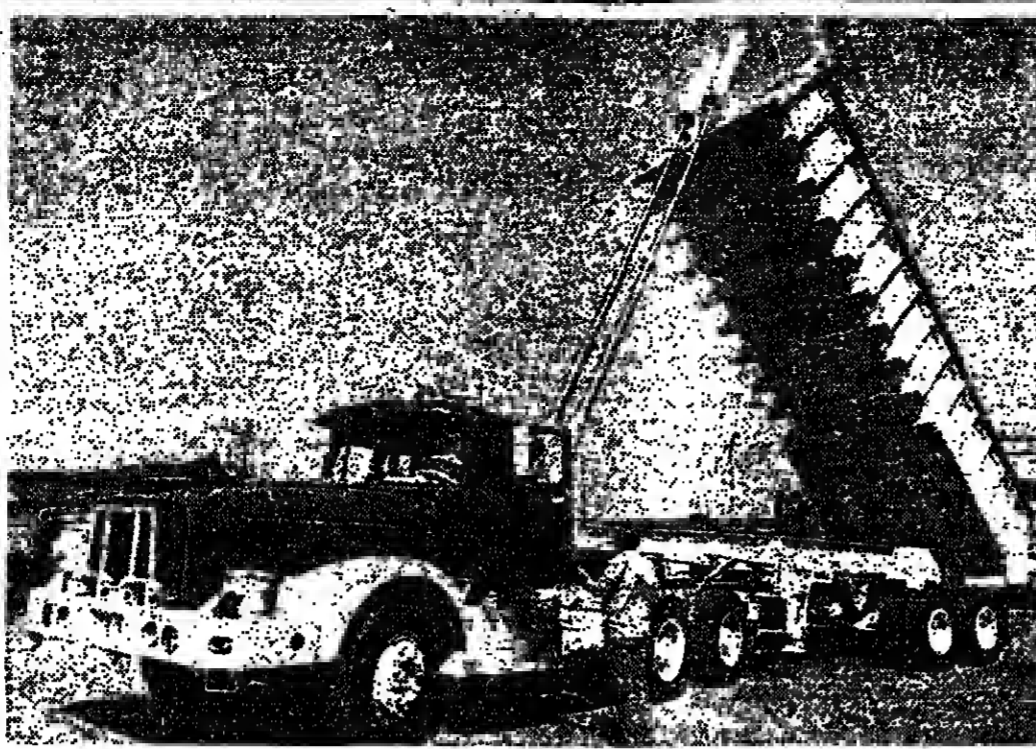
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One of three 85-ton articulated tipper trucks fitted out by Edbro Bodies, of Baltoe, Lancs., and recently shipped to Qatar in the Gulf. This big tipper has a Leyland Scammell Contractor motive unit and it hauls a 45-ton payload Dyson semi-trailer fitted with Edbro twin-cam hoists which raise the steel body. The three vehicles will be used to carry sand and aggregate to a concrete block manufacturing plant operated by All Bin All Enterprises near Doha.

This gun has been devised for use in factories where goods are shrinkwrapped in plastic film and there is a need for occasional use or 'finishing-off' operations. It can be used as an alternative in the tunnels and ovens used in this type of packaging. The gun is being produced by Polygun Supplies, Minister Lovell, Oxon (0933 71478).

DATA PROCESSING

Represents ship shapes

SHELL DRAWINGS of hull structures, particularly the sometimes complex curves used at bow and stern, can be produced simply and quickly by a new method developed at the British Ship Research Association.

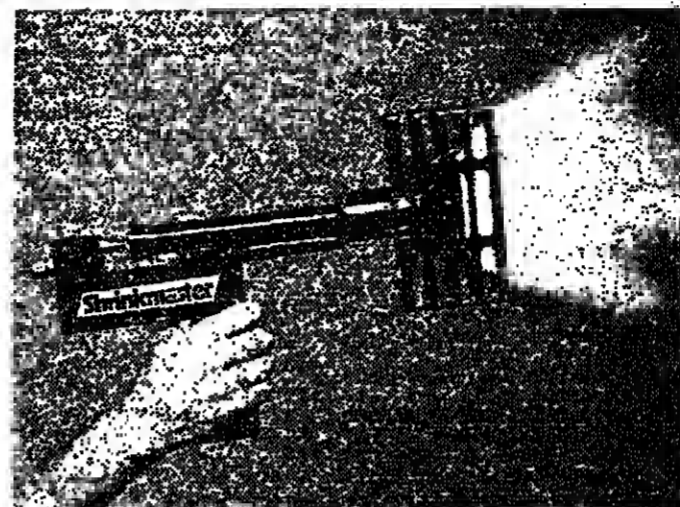
Avoiding the lengthy girth measurement routines required for conventional shell expansion drawings, the method provides undistorted views and derives its information from the plain-line body plan.

The isometric presentation gives an impression of depth and the angle of view can be chosen or changed to suit the designer's requirements.

It has evolved from the Ship Structural Design System (SSDS) which is a computer-based system operated by BSRA for the industry and intended to bring the latest technology in CAD within the scope of the smallest users. Meanwhile, the Association is planning to hold a conference of hull maintenance techniques now that drag through fouling is causing such heavy penalties in expensive fuel consumption.

A one-day event to be held on November 24 in London, it will have as guest speakers experts from BSRA and from shipping and service company sources.

More from BSRA, Wallaseed Research Station, Tyne and Wear, NE28 6UY. Wallaseed (0633) 625342.



OFFICE EQUIPMENT

Hand adder replacement

BURROUGHS has joined the ranks of the electronics companies seeking to provide a welcome replacement for the now obsolete mechanical adding machines with the release of its EA1200 electronic unit.

It has many of the capabilities normally associated with electronic calculators and will provide a series of facilities making its use on complex tasks much easier than with the equipment it is intended to replace.

There are two memories, one for multiplication and one for division, audit tape entry printing etc. and the unit is immediately available.

More from Burroughs on 01-759 6522.

Quick way to open mail

LATEST piece of office equipment to be put on the market by Ofrex is a machine which will open the mail, present the envelope contents for extraction and check that all the contents have been removed.

Unopened envelopes, of various sizes, are stacked at one end of the machine. When the machine is switched on the envelopes are sliced across the top and then automatically passed along to the extraction station.

At this point the envelope is held open for removal of its contents and then passed under an electronic device that checks that it is empty. If there is an item left in the envelope the machine stops and will not restart until the remaining contents have been removed.

Ofrex says the machine works at speeds up to 4,000 hour. It can be seen at the company's showroom in Stephen Street, London W1A 1EA (01-636 3636).

COMMUNICATIONS

GEC scores design win

PTT AUTHORITIES in Switzerland have put a feather in the cap of GEC Telecommunications by their choice of the latter's broadband radio equipment for a new and important microwave communications link between Geneva and Lyons.

GEC is also supplying more 2 GHz and 6GHz equipment for a tenth extension of the Swiss television network.

The equipment will be made in the company's Coventry factories and will be delivered before the end of the year.

CATERING

Kitchen equipment

REPRESENTATIVES of eight Ontario companies, each looking for British-made products mainly in the hotel, restaurant and food processing industries, arrive in London on October 18.

During a five-day stay they will meet U.K. manufacturers to discuss licensing or joint venture arrangements through which products can be made in Canada. They will work through the Ontario Ministry of Industry and Tourism office at Ontario House, Charles II Street, London SW1V 4QS (01-830 4494).

Products sought include domestic and commercial cooking utensils; equipment for commercial kitchens, restaurants and bakeries; brushes; glass cleaning machines; ice cream freezers; food and drinks vending units; hotel and restaurant fittings; heat exchangers; domestic water heating; air conditioning and solar heating equipment.

ELECTRONICS

Bends and cuts leads

ELECTRONIC component lead bending and cutting machines developed by A. R. Engineering Company are able to tackle a wide range of production speeds in electronics production.

For small batch work involving printed board components the TP8 component-forming hand tool has adjustable pointers that are easily moved by means of a thumbwheel to the pitch of the holes in the board. Leads are then bent to a precise 90 degrees by depressing a trigger in the handle.

TP9 and TP12 tools operate in a similar manner but incorporate cutting blades to cut the leads to a preset length.

For production line requirements the bench-mounted TP10 and TP13 have fast manual operation and the top of the range TP11 is an electronically-powered bench machine.

All the machines can accept lead diameters between 0.01 and 0.04 in and the bending action uses roller in conjunction with resilient pads to ensure accurate scratch-free bends. More from the company at St. Alkhan Road, Watford WD3 4AN (Watford 41208).

ADHESIVES

Bonds many materials

A HOT melt adhesive called Instaweld 16 for assembly operations recently announced by National Adhesives and Resins, has a very high tack when molten, adhesion to a variety of surfaces and long open time, giving extra time for assembly operations to be completed.

The adhesive is available in "slug" form for extrusion through hand applicators or can be applied through conventional tank led applicators.

A range of assembly operations could be considered for this adhesive, says the company, since it has been shown to bond such materials as natural rubber, rigid PVC, high impact and expanded polystyrene, ARS, acrylic, polycarbonate, nylon, glass, poly-

these, polypropylene, metals (including lead), concrete and wood based materials.

The adhesive sets rapidly by cooling after application and allows rapid bonding without the need for a liquid element in the adhesive to be dissipated. It might therefore be considered as a means of speeding up assembly operations where liquid adhesives or some alternative form of assembly may be being used. Impermeable surfaces can also be bonded.

Instaweld 16 is said to have been found to be resistant to low temperatures (down to -30 degree C in some cases) and is most suitable for low stress product assembly operations.

INSTRUMENTS

Easy check on wind

INTENDED for use at athletics meetings is the Simplex wind gauge put on the market by Cantabrian.

The component of the wind parallel to the running track is selected by a tube fitted with a central venturi. A free running turbine at the centre rotates at a speed proportional only to this component; the speed and direction is measured by two photo-cells and the resultant output is electronically integrated to give average speed in the running direction. A meter pointer indicates the direction and value.

The periods over which the gauge can average the speed are those specified by the user.

The centre zero meter is calibrated from 0.5 to 4.0 m/sec. in both directions. A linear accuracy is better than ± 5 per cent. The meter measures average speed in the running direction. A meter pointer indicates the direction and value.

The periods over which the gauge can average the speed are those specified by the user.

The component of the wind parallel to the running track is selected by a tube fitted with a central venturi. A free running turbine at the centre rotates at a speed proportional only to this component; the speed and direction is measured by two photo-cells and the resultant output is electronically integrated to give average speed in the running direction. A meter pointer indicates the direction and value.

The periods over which the gauge can average the speed are those specified by the user.

TERMINALS

ITT strengthens its hold

SEEKING to consolidate its European position as number one source for replacement equipment for the major data capture and input/output peripherals installed by IBM computer users, ITT Business Systems is already planning to launch further equipment which is intended to round out its offerings so that they can be described as providing a full data communications capability.

In Europe, the ITT company is now turning over something like £300m a year of which the U.K. sector is contributing around £60m, from such well-known operations as Creed, Interall.

Much of the success to date of the operation has stemmed from the 3280, a straight replacement for the IBM equivalent of clustered VDUs and controllers.

In this arena, ITT is competing with the other plug-compatible companies, but competing from a position of strength since it has 15,000 European staff already supporting equipment and software routines which will ultimately enable business and industries to integrate their communications and data handling operations.

The company is introducing three new pieces of equipment which are to be put through their paces at a special preview linked with the British Computer Society's Datafair event in early October.

The equipment includes primarily a communications controller which is in itself a powerful computer designed to cope with the special problems of data communications handling and to

replace IBM's 3704/5 entry level terminal. It will allow companies operating standard copy and software to upgrade sophisticated network tasks out more a.o. It will thus be necessary to make the processor more powerful, install IBM's systems architecture (SNA).

So far as the resident user is concerned, the ITT unit will look just like a single work unit. And the use also select non-industry standard terminal devices. It has a confidence at the Systems stems from the fact in the U.S. so far, 200 of units have been installed.

Because terminal users have been advancing rapidly as has that of the scale integrated circuits, it is not surprising that intelligent display terminals are for all modes of operation. The 3530 has a disc and large solid-state as well as its own microprocessor communications unit.

The third device is a full compatible display for enquiry and update applications which is taking advantage of a slower competitor. It talk to practically any computer.

More from ITT, Business Systems on 0272-507111.

COMPONENTS

Source of disc motors

OFFERED by Moore Reed and Company, of Andover is a range of disc armature DC motors with powers from 15 up to 140 watts.

The machines have a wound armature with copper winding and are available in plastic, plastic moulding, and a bell-shaped housing which holds the permanent magnet and brush gear.

Some of the advantages of this kind of design are low inertia, uniform rotation at low speeds, low mechanical time constants geometry and low loss applications will be reversible drives are with a wide speed range and response including machine feeds and tool positioning. The machines are available in plastic, plastic moulding, and a bell-shaped housing which holds the permanent magnet and brush gear.

Prices start at £14 (100 ohm more details can be had from the company on the Way Industrial Estate, Hants (0264 2157).

PACKAGING

Bagged in a box

PHYSACUBE describes a waterproof bag so assembled that it will fit snugly inside cartons. It can be made from a whole series of heat-sealable products, depending on the purpose to which it is to be put.

The range of sizes runs from 10 to 200 litres and the sacks are designed to lie perfectly flat until required and are stackable when full.

One area of application is in the food industries and the product has been found particularly useful where difficult materials with high fat content, or incorporating powerful adhesives, are a major problem.

More from St. Delafosse, Physalis, 22 rue de Louvain, 92400 Courbevoie, France.

HEATING

To burn waste oil

IN GARAGES and other installations where there is an appreciable amount of engine oil, the oil can be used in an appropriate heater to provide hot air for heating. The heater is self-contained with the Clear Air 1988.

Introduced by Powermatic, the heater will burn untreated engine oil, recycled waste oil or alternatively 35 sec oil to an output of 250,000 Btu/hour. The burner is gravity fed.

The maker is at Winter Lane, Timinster, Somerset SP9 0JH (04805 3535). It claims a savings of average 50 per cent on about £400 per year in heating costs, recovering the cost of burner in two years.

Microalloys discussed

HIGH STRENGTH, low alloy steels are the subject of a 748 page book published by Union Carbide Corporation. The book comprises over 60 papers presented at an international symposium held in Washington DC in 1975.

The Corporation says: "This book represents a joint effort by more than 100 metallurgists, scientists, and engineers from virtually all industrial countries. From a review of the current world-wide state of the art for microalloyed steels, future trends are projected—including studies of structure-property

Grinding tool steel

PINK VITRIFIED abrasive is being used for a new range of wheels from the Universal Grinding Wheel Co.

Three shapes are available—14 inch diameter plain, 4 to 6 inch diameter dish; and 3 to 4 inch diameter taper cup. The wheels are said to have an open structure, giving free cutting qualities and less tendency to glaze or load with metal. The material is recommended for toolroom use, particularly for medium and fully alloyed high speed tool steels.

A wall-chart to assist wheel selection for a range of tool steels is available from the company at Doxey Road, Stafford, ST16 1EA (0783 3281).

Two-speed drill

A NEW 32mm. (1 1/4-inch) two-speed heavy duty drill has been added to the Sapphire range of industrial portable electric tools made by Wolf.

The drill with two handles and a breast plate, has a mechanical safety clutch which prevents the motor from stalling against the operator's hands or wrists should snagging occur, but allows full load during normal operation.

Fitted with a No. 3 Morse taper for positive drive when using large diameter drill bits, it is powered by a 1020 watt motor, producing no-load speeds of 425 and 360 rpm. The second speed is obtained through an electronic motor switch mounted in the breast plate. The drill is double insulated and can be used without earthing. It weighs 14 lbs.

Details from Wolf Electric Tools, Hanger Lane, London. W5 1DS (01-898 2911).

Faster bank services

ONE MONTH ahead of the specified date, production prototypes of a new and very compact banking terminal have been delivered to the Clydesdale Bank by Fortronic, the Scottish electronics company which has designed and developed the terminal to the bank's specification.

Intended to provide customer and account identification at electronic speeds, together with checking of each transaction before the customer has left the counter, the terminals will be installed in every bank branch and provide the basis for a network with centralised enquiry and data collection facilities.

Meanwhile, Fortronic's reputation as a terminal manufacturer has spread abroad and, as a result, agreement has been reached in principle with Computer Industries for a joint venture to develop a unit for banking work that will print both in Farsi and in roman type.

Further details of both developments from Fortronic (Fife), Holden Way, Dunfermline, Fife KY11 6TW. Dalgety Bay (0383) 82312L.

Gives real flow data

ABLE TO provide real answers about the flow of gases and fluids in the processing petro-chemical and oil industries is the 7900 computer, microprocessor-based, put on the market by Solartron.

Basic function is to transform signal inputs from transducers into meaningful units. Both analogue and frequency-based inputs are accepted from devices measuring density, static or differential pressure, temperature, specific gravity, fluid flow rate, and calorific value.

Various combinations of these parameters, from instruments or manually entered, are then manipulated by the machine to give outputs such as volumetric, mass, or energy flow to a high level of precision.

A typical application is likely to be in deriving net and total mass flow for custody transfer and costing purposes. Basic inputs will be from turbine/positive displacement meters or from differential pressure cells, together with densimeter inputs and readings of oil-in-water percentage. Corrections can be made, if necessary, for temperature and pressure. Total, uncorrected, and corrected flow are shown on separate front panel displays. Solartron is on Farmborough (Hants) 44639.

TELEX SHARING

20 teleprinters mean clear lines, sending and receiving. Personal attention 9 a.m. to 9 p.m., thereafter answerphone. Charges on a per-word basis means no surprises! File copies & Translations. BRITISH MONOMARKS 01-495 4442 01-494 5811 Est. 1975 by arrangement with the G.P.O.

Turin Exhibitions Halls
September 24 - October 2, 1977

technica 77

1st International metal surface treatment exhibition
International conference on surface treatments (27/9)

1st International tools exhibition
International conference on tools in mechanical production (26/9)

4th International industrial electronics exhibition
4th International congress on "Electronics in the automation of sophisticated systems in the '80s" (29-30/9)

Timetable: 9.30-12.30 a.m.; 2.30-7.00 p.m. • Saturday and Sunday 9.30 a.m.-11.00 p.m.

Corso M. d'Azeglio 15 - 10126 Turin (Italy) - tel. 011/65.69 - cable TOEXPO - telex 23492 TOEXPO

1st International metal surface treatment exhibition

1st International tools exhibition

4th International industrial electronics exhibition

Brighten your day with a success story

CWMBRAN NEW TOWN

When you plan to expand or begin manufacturing in Britain, Cwmbrian's experience can be of real value to you. For Cwmbrian is one of Britain's most successful industrial development companies.

Cwmbrian Development Corporation built almost 30 factories in a two year programme and has more all within a year. Already more than 170 industrialists have made Cwmbrian their industrial homes. We know the problems of relocation and have solved them. Cwmbrian is only 90 mins. away by the new High Speed Train and only a 15 mins. drive by car. We are 50 miles from Birmingham by excellent housing, schools and shops, and every facility for work and leisure. Modern factories and residential areas are still available. And the Corporation welcomes enquiries from industrialists in the U.K. or overseas who wish to expand in a beautiful area with the aid of Government grants. Substantial rent concessions may apply. The key men who come with new industry can be housed immediately.

Get the facts. Please use the coupon or write or telephone.

To R.P. Munday, M.B.E., M.C., General Manager, Cwmbrian Development Corporation, Jubilee House, Town Centre, Cwmbran, Gwent NP23 5XJ. Tel: 0493-630000 Cwmbrian 6777.

Name: _____
Position: _____
Company: _____
Address: _____

FT44

J.P. M. Ito

LABOUR NEWS

read strike mediator aimed to-day

By Nick Garnett, Labour Staff
BANK STAFF associations and the National Union of Bank Employees will decide to-day whether to accept a Phase Two offer on behalf of 200,000 clearing bank staff.

Bank staffs reconsider Phase Two offer

By Nick Garnett, Labour Staff
BANK STAFF associations and the National Union of Bank Employees will decide to-day whether to accept a Phase Two offer on behalf of 200,000 clearing bank staff.

Leyland package faces tough opposition by car workers

BY OUR MIDLANDS CORRESPONDENT
EFFORTS by union leaders to persuade Leyland Cars shop stewards to support the company's package of industrial relations reforms look set for a difficult passage.

YOUR SHARES CAN RISE IN VALUE

In a remarkable way.

If the tax collector often seems to be the main beneficiary of your investments, consider how some of your capital could gain a new kind of value, and help old people in great need in a wonderful way.

inquiry urges lump sum payment for strikers

INQUIRY into the earlier this year involvement of civil servants employed in the Ministry of Defence in a strike has recommended cash awards for the strikers.

Renewed union moves to block Grunwick services

BY OUR LABOUR STAFF
UNIONS which might try to starve the Grunwick film-processing company of services essential to it have started laying the groundwork for possible co-ordinated action.

Myson plant 'would close' threat

BY OUR LABOUR STAFF
INDUSTRIAL ACTION for a pay claim at Myson Heating Products, Hull, brought a warning from the company yesterday that it would rather close the factory than concede the claim.

Two disputes hit pubs

BY OUR LABOUR STAFF
TWO DISPUTES in the brewing industry yesterday hit beer supplies to a number of public houses and hotels in the north and Midlands.

Voluntary

A report on August 30 contained the erroneous allegation by the Association of Professional Scientists and Technologists that a member had left the APST governing board after being thrown out of his local committee at Clitheroe, Trafford.

Overtime ban by dockers

SHIPS WAITING to be loaded and discharged at Felixstowe Docks were forced to queue yesterday following an unofficial work-to-rule and overtime ban by 900 men.

Baggage loaders walk out

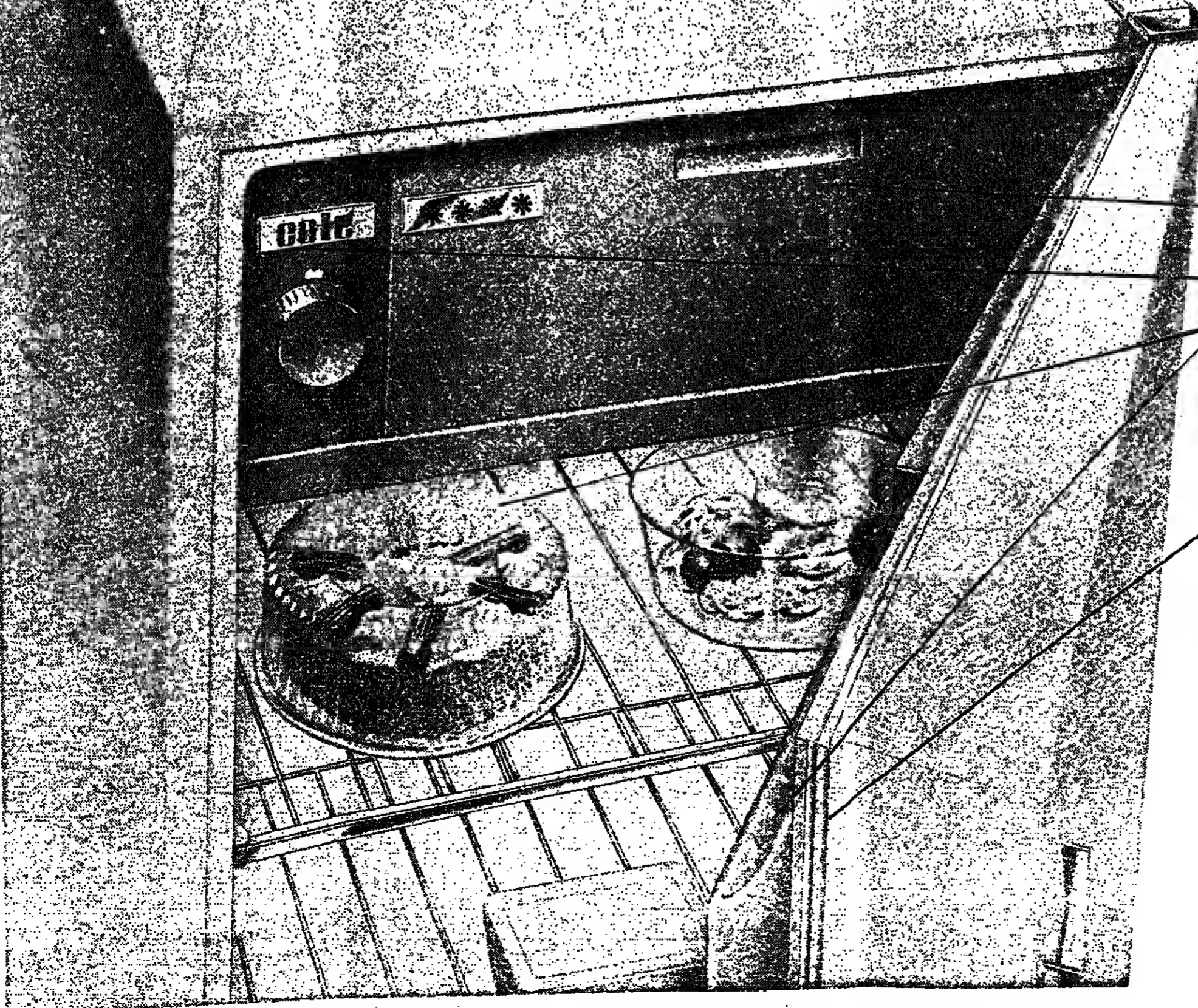
BY OUR LABOUR STAFF
PASSENGERS at Heathrow airport yesterday had to load their luggage after 400 baggage loaders walked out for an hour in protest at alleged police harassment.

Full details of the share plan will gladly be sent to you or your professional advisers, together with the annual report and accounts. Please write to: Hon. Treasurer, the Rt. Hon. Lord Maybray-King, Help the Aged, Room FT7, 32 Dover Street, London W1A 2AP.

THE STRAND BLOCK OF SOMERSET HOUSE 1780-1836: Part II by Sonia and Vivian Lipman. In the SEPTEMBER issue, now on sale HISTORY TODAY. Monthly, 50p - Annual subscription £6.70 (US\$16.00) from The Manager, Bracken House, Cannon Street, London EC4P 4BY.

The New FORD GRANADA. DON'T WAIT TEST DRIVE IT TODAY AT... BREW 133 OLD BROMPTON ROAD 01-373 3333

A cool look at the Cole refrigerator.



We won't be surprised if you have not heard of the Cole refrigerator because we don't actually make or sell them. However, our involvement in the manufacture of refrigerators and other modern mass produced products is considerable. The Cole Group of Companies has interests in many diverse technologies and as specialists, our job is to help industry make things and make them better.

RH COLE LIMITED, 7-15 Lansdowne Road, Croydon CR9 2HB, Tel: 01-686 4411. We help industry make things.

The new Ford Granada Emphasis on engineering

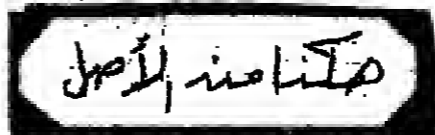


2.8 litre V6 Granada Ghia with automatic transmission and optional extra headlamp

Good engineering should make a car work better without making it more complicated.

However handsome a car may look it's what the eye can't see that determines how long it lasts and how well it performs. Ford set out to build a car that would be durable, reliable and have the safe, decisive handling today's motoring conditions require. They started from the inside and worked out, putting the emphasis on engineering.

On the opposite page are just a few of the more important developments the engineers built into the car. See if your priorities are the same as theirs.

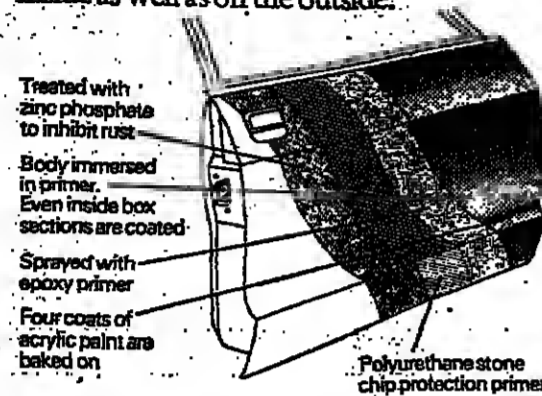


مكزامن الاحمبل

Solid engineering makes the Ford Granada a durable and reliable car

The quest for durability

Nobody would deny that a car's worst enemy is corrosion. If it is not properly protected a car can start to show its age very quickly. But just as important is the protection of vulnerable parts you can't see, like underneath the wheel arches. The elimination of rust traps inside the body panels was another important part of the Granada's development. Ford's 18 stage body protection process looks after your investment on the inside as well as on the outside.



The 18 stage body protection process

1. Body shell washed in an alkali by high pressure jets.
2. Rinsed, dried and sprayed with zinc phosphate solution.
3. Body rinsed 3 times, the third time in pure demineralised water.
4. Oven dried to remove all traces of water.
5. Immersed in anti-corrosive paint applied by electrocoating process.
6. Washed and baked in gas-fired oven.
7. PVC sealant hand applied to critical joints where panels meet.
8. Polyurethane stone chip protection primer applied to vulnerable lower body panels.
9. Body sprayed with epoxy primer paint, hand applied to difficult areas.
10. Oven stored to harden primer prior to enamel coats.
11. Wheel arches treated with chip-resistant PVC coating.
12. Whole body hand sanded for final coats of colour.
- 13, 14, 15, 16. 4 coats of tough acrylic enamel colour paint.
17. Stored to give paint full strength and lustre.
18. Quality control check by Ford inspectors.

Reliability is achieved by attention to detail

Ask any AA man and he will tell you that it is the small electrical faults that are the cause of most breakdowns. Ford have reduced the mass of connections you find behind the dashboard of more conventional cars by using a printed circuit. This means there are fewer connections to work loose. Also the main relays and fuses are contained in a central distribution box for easy servicing.

But perhaps the most important electrical refinement is the new electronic breakerless ignition system on the V6 engines. It delivers a more powerful and accurate spark which, in turn, provides more efficient fuel ignition. This helps maintain engine tune, resulting in improved economy. Starting on cold mornings is also made easier.

12000 mile service interval

Improved durability means that the service interval is extended to 12000 miles on all Granada petrol models (apart from minor checks and oil changes at 6000 miles) so you save on service charges too.

Amongst other examples of thoughtful engineering are the self-adjusting clutch and the fact that the brake linings can be inspected without removing the wheels. More details that help to keep your service costs down.

Some standard features of the Granada Ghia

Automatic transmission (except with fuel injection) - power assisted steering - push button radio/stereo cassette with 4 speakers and electrically operated aerial - laminated windscreen - tilt/sliding roof - alloy wheels - Veronal Crushed Velour cloth seats - central door mirror system (4 doors and boot) - remote control wipers - 2 speed/variable intermittent wipe windscreen wipers - carpeted boot - dual tone horn - rear fog lamp - tinted glass - electrically operated front windows - (electrically operated rear windows optional extra) - shag pile carpets

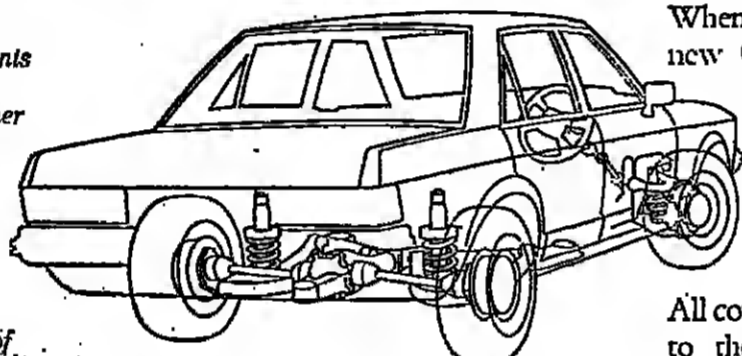
Suspension that gives safe, decisive handling and peace of mind

Probably the most important safety feature a car can have is suspension that gives you predictable and decisive handling, particularly at speed and when cornering. The Granada has independent suspension on all four wheels. It makes sure that the tread on all four tyres is firmly in contact with the road surface. The car feels taut and well-balanced all the time, leaving you feeling relaxed and confident.

The Granada's 59.5" front and 60.5" rear tracks (the widest in its class), together with the low centre of gravity and long wheel base give superb stability. Down forces created by the front spoiler, plus the extra air diverted over the bonnet by the special radiator grille, reduce lift at speed and ensure that the car hugs the road.

The GL and Ghia are fitted with gas filled shock absorbers (these help soak up the bumpiest road) and the 'S' with Bilstein gas shock absorbers (for the man who drives that bit harder).

Incidentally the 'S' is fitted with Michelin TRX super low profile tyres as standard equipment. A brand new tyre designed to give the ultimate in performance, immediate response and excellent straight ahead stability when braking.

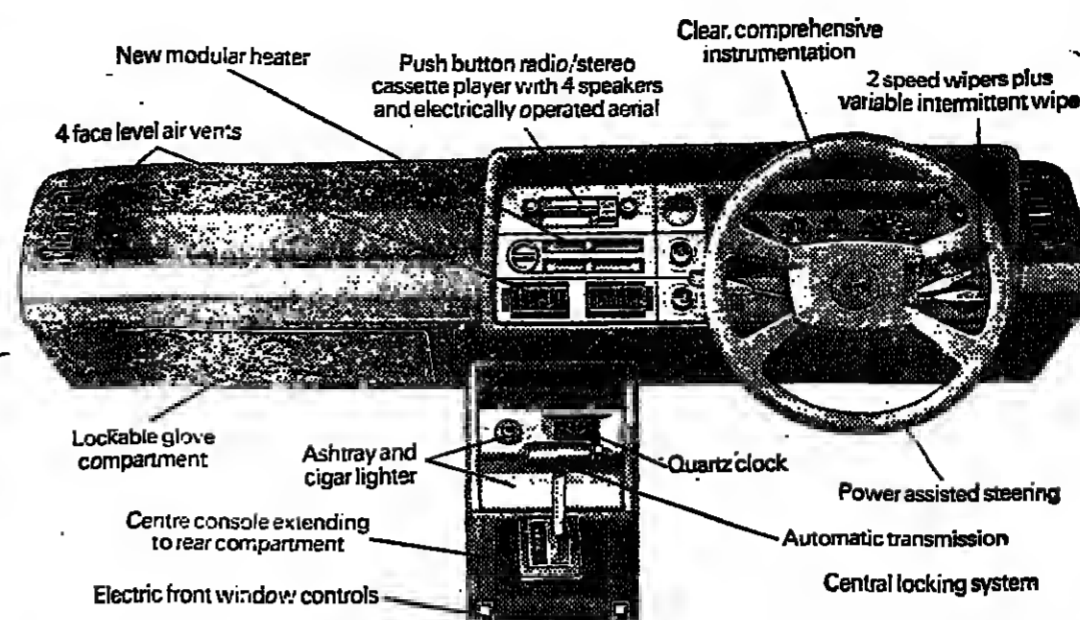


The Granada's all round independent suspension gives approximately 20% more resistance to roll than a conventional fixed rear axle.

Engines that give smooth performance and efficiency

The excellent performance and efficiency of the 2 litre OHC and new 2.3 litre V6 engines has been achieved by an improvement in aerodynamics which reduces the drag factor and by the engineers exceeding the target they set themselves for reducing the weight of the car. The fuel consumption figures obtained using standard European DIN procedure prove the point. The 2.3 litre V6 with manual transmission gives a figure of 26.7 mpg.

The exciting new 2.8 litre V6 engine is a beautifully smooth unit. The optional fuel



injection system ensures the most efficient use of your fuel by metering just the right amount of petrol, whether you're crawling in traffic or driving on the motorway. The fuel injection is a highly developed and well proven system that is used by Europe's finest cars.

There will also be a new 2.1 litre diesel model. Its benefits of long life, and low fuel consumption - particularly in town driving, will make it a welcome addition to the Granada range.

Comfortable and effortless journeys

When you settle behind the wheel of the new Granada you immediately get a feeling of well-being.

Deep, cloth covered seats (leather on the GL and Ghia if you want) with adjustable head restraints on all petrol models, keep you relaxed on the longest journey. All controls are at your fingertips and add to the feeling of being in complete control. Push button radio is standard on all petrol models, and the Ghia has a push button radio/stereo cassette player with four speakers and electrically operated aerial as standard equipment. Each radio is tested for 24 hours before being fitted. In addition electrically operated front windows and central locking (4 doors and boot) are standard on the Ghia.

The new Granada carries on the Granada tradition for comfort. During its development every body panel was engineered for good acoustic behaviour and the car finally tested in an 'anechoic' chamber to check noise level. It is even quieter than its predecessor, with more sound deadening material built into every model of the range.

Good visibility means a safer car

The low bonnet and boot line ensure good visibility. The road cut off point is improved over the previous model by 3 feet at the front and 22 feet at the rear. You also get a fantastic 86% all round vision. Laminated windscreen (standard on all models) means that if you do catch a flying stone you're not immobilised.

A new stratified heating system allows you to select varied combinations of screen and passenger compartment temperature and provides a complete change of air every 20 seconds when you're travelling at 50 mph. And because it is a modular system any part can be checked or changed easily - yet another example of thoughtful engineering keeping service costs down. Fully integrated air conditioning is optional on all V6 engine models.

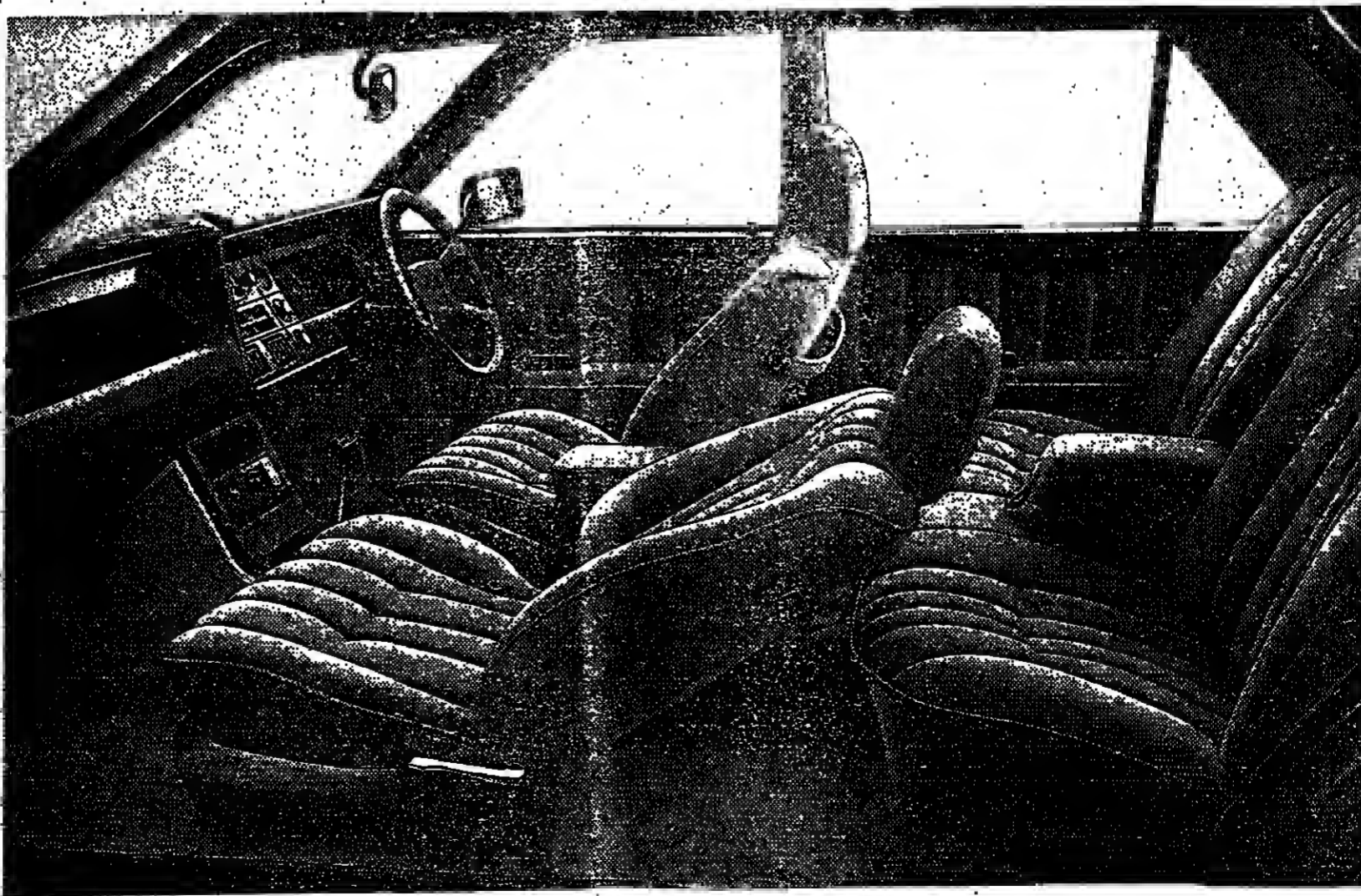
These are just a few facts about the new Granada. More is beyond the scope of this advertisement. But take a closer look at the car in your local Ford showroom and see for yourself how the new Ford Granada puts the emphasis on engineering.

Available early 1978

Engine size (litres)	Max speed (mph)*	DIN fuel consumption (mpg)**
2.0 L (manual)	102	26.2
2.3 L (manual)	105	26.7
2.8 GL (manual)	113	25.7
2.8 Ghia (automatic)	109	23.9
2.8 Ghia fuel injection (manual)	120	25.2
2.1 diesel (manual)	85	31.4

*Ford computed performance and economy data for saloon models.

GRANADA PRICES		Maximum prices as at 15 Sept 1977. Seat belts, car tax and VAT included. Delivery and number plates at extra cost. *Available early 1978 provisional price.
Granada L	from £4,144	
Granada GL	from £5,261	
Granada 'S'	from £5,910	
Granada Ghia	from £6,748	
Granada Diesel	from £4,668	
Granada Estate	from £4,850	



FORD GRANADA



One gloomy, three cheerful, and two in between

BY MICHAEL DIXON

"PRETTY GRIM," said Lance Secretan, United Kingdom head of the Manpower work-contracting agency. "Much brighter," said Ken Hampton, head of the PA recruiting organisation. "No marked change," said Harry Roff, head of the MSL recruitment consultancy.

These somewhat varying judgments are hardly what was wanted by a Jobs Column returning palely from its summer break, and in search of an employment-market view of job prospects for U.K. managerial types over the next six months or so. My aim was to ease the column back into harness with a simple, coherent report of the prognostications of half a dozen informed observers. But they turned out to be at sixes and sevens.

Mr. Secretan's depression seemed to be centred on what he called the Employment Protection Act. "It is turning manpower into a fixed cost, and top managements are reluctant to add new executives when the appointment carries a risk under the new Act well beyond the salaries involved. At the same time it's inhibiting them from making room for new talent by weeding out the weaker brethren. And the pool of surplus candidates isn't being helped either by the stopper on public service recruiting.

"One result of the previous weeding out is that there's less overhead in companies now, so the prospects for rewards could be good for executives who have survived and are capable. But I have no doubt that the best advice to executives who are holding a fairly tolerable job is still to stay put. And I can't foresee any change in this basic position during the next six months. If anything, I'd expect it to firm up. Sorry about that," Mr. Secretan laughed, sepulchrally.

So it was a surprise then to hear Mr. Hampton breezily saying that the demand for executives this year had been much more buoyant than he had expected, and he felt that it was likely to continue in the same encouraging way.

"I'd say that demand for executive-grade people is a quarter to a third up on last year's, and it's not just overseas jobs that are being offered. The return of business confidence may be fragile but in my view it has already led to much higher recruitment of managers in this country than would be justified by the hard economic evidence."

What about the effect of the Employment Protection Act? I asked him.

"Well," Ken Hampton answered, "it is helping to make organisations much more conscious of salary costs—but that's

a good thing, isn't it? We wouldn't want a return to the all-out recruiting booms of the 1960s, followed by the managerial massacres of the early 1970s. But beyond that I wouldn't think the Act is a significant deterrent to an employer who sees the need to take on an executive.

"No, all in all, I see no reason, provided that the country doesn't run into serious industrial disorder this winter, why we shouldn't see business confidence go on strengthening through the rest of this year and on into 1978."

These brave sentiments were shared by both Geoffrey King of Cambridge Consultants and John Fulford of the Grosvenor Stewart recruitment company.

"I'm busier than ever just now; doing more than double the work I had last year," said Mr. King who is particularly concerned with recruiting managers for technology-based manufacturing companies. "And I think industrial confidence is almost sure to go on improving now. It looks to me as though Mr. Callaghan is going to turn out to be right."

including engineers, which constitute the bulk of his clients.

"Our main difficulty at the moment is finding good candidates, especially at the younger end," he said, "for several reasons:

"The first is that we are beginning to feel the effect of the big expansion a few years ago in graduate recruitment by the public sector. Because so many of the education system's successes got taken into the Civil Service, local authorities and so forth, we seem to have a smaller pool of managerial talent aged, say, 28 downwards, available for private companies, particularly in areas like marketing.

"Also, and partly because of the Employment Protection Act, I'm finding it hard to persuade people to move to a new company unless there's going to be a big increase in salary. The £3,000 person will want £6,500 to £7,000 before the risk is seen as worth while.

"From the candidates' viewpoint, I feel prospects over the next half year must be moderately optimistic. Business confidence is self-generating, you know, once the thing starts rolling it tends to keep on rolling."

But when I reported these ebullient expectations to Scarborough-born Geoff Crosby, head of the Government-sponsored Professional and Executive Re-

crutment agency, all he said was: "Aye, 'Appen."

As a unit, PER was doing well too, he added; being still on course for a revenue of more than £3m this year. "But I don't think that the recruitment market for executives as a whole will turn out to have expanded very much in the end."

Nor did Mr. Crosby think there was really a shortage of able candidates. "We see that there are a devil of a lot of people with good qualifications and track records still available, and I suspect there are more just hanging on to see how their employers will react to the easing of pay restraint. So it's likely that there'll be more good people putting themselves on the market."

"As for 1978, my feeling is that it all depends on whether we can get over the next couple of months without people buying industrial peace with pay settlements way over the 10 per cent. figure."

Mr. Roff was of a similarly cautious opinion. "I cannot see any established trend in the market," he said, "and until there's less uncertainty, I don't think that employers are going to take on new managers in large numbers. Probably there has been a change in the state of the market; but only from depression to bemusement." Which phrase more or less

describes the Jobs Column's own state as the result of its spot survey of market opinion. But since it would be cowardly of me to avoid giving a judgement, I'll climb firmly on to the fence with Geoff Crosby and Harry Roff.

Bed head

TOM CLARKE, chairman of the expanding Silentnight group which owes its post-war beginnings in the bedding business to the advice of his mother-in-law, wants a new managing director for the main subsidiary.

This company, called Silentnight, makes mattresses, divans, headboards, and associated items, and its need for the new manager arises from the pending elevation of the company's present chairman, Harry Crowther, and managing director, Ken Murray, to the joint managing directorship of the group.

Based at Barnoldswick, near Skipton in Yorkshire, the recruit will head about 1,200 employees at three sites covering around 750,000 square feet.

Mr. Clarke is seeking a manager with good managerial experience in a fast-moving consumer-durable industry who can demonstrate successful leadership of a business operation. Formal quali-

cations would be a help. The salary range is £15,000 to £17,500; perks include a car. The Application form from the chairman, Silentnight Holdings, Satterthwaite, Colne, Lancs BB8 5UB—telephone 0282-812711.

Pinta promotá


JOHN SYKES of PA Management Consultants is seeking a new director for the London-based National Milk Publicity Council to take over from George Speakman when he retires next year. Better known as the National Dairy Council, the organisation promotes milk, cream and cheese in England and Wales, both through the media and by means of events such as sports. But its 45 staff are concerned also with research, educational services, merchandising and so on. Current budget is £4.7m.

The need is demonstrable. The managerial skill, experience of marketing through the media, political awareness, and practice in high-level public speaking would be useful. Age not specified. Neither is salary; my estimate is £12,000-£15,000. Car among perks. Summary of qualifications and career sketch. Career sketch. Philpot at his NPA consultancy. Request for application form 60, Chesapeake, London E1 6SS. Telephone 01-248 3812.

Bank control

CRICKETING recruiter Philipot, who has left Executive to form his own strong consultancy maintaining the City, want operations manager to Saudi International Bank London—half owned by Saudi Arabian Mo Agency, with the rest of to other banks including Guaranty and National.

The newcomer will have overall responsibility for departments of data processing, book-keeping, money, foreign exchange, securities, settlements, administration, credits, and exchange, and safe custody, and overseas personnel management for about 80 staff. Candidates should have successful experience in a managerial role, familiarity with political awareness, and practice in high-level public speaking would be useful. Age not specified. Salary not specified; my estimate is £12,000-£15,000. Car among perks. Summary of qualifications and career sketch. Philpot at his NPA consultancy. Request for application form 60, Chesapeake, London E1 6SS. Telephone 01-248 3812.



Klockner INA plans, supplies, erects and finances turnkey industrial projects. We are an affiliated company of the Klockner Group of Duisburg, West Germany. We wish to engage a

Commercial Export Sales Representatives/Project Managers for Industrial Plant Projects

The age range will be 25-35. The applicants should have minimum educational qualifications up to GCE A-level and should have undergone basic commercial/sales training in export business, i.e. in a manufacturing, engineering or a trading Company dealing with export of machinery and equipment.

The applicants should have the ability to establish contacts and be willing, after an initial period in the London office, to either travel on specific projects overseas or to represent the Company overseas in developing markets on a contract basis through Klockner's company network.

A basic knowledge of German and/or French would be an advantage, but not a condition.

Within the international KLOCKNER INA Organisation the positions present an excellent career opportunity. The positions will be well remunerated according to educational background, experience and age. Interviews will be held in London.

Applications should be made in writing to: Klockner Ina Industrial Plants Limited, Berkeley Square House, Berkeley Square, London W1X 5PA. Tel: 01-492 0192 and 01-493 6589.

Financial Director Midlands

Our client, a subsidiary of one of the UK's leading industrial organisations, is seeking an experienced commercially minded Financial Director to join its Board. The company enjoys a high degree of autonomy and has an impressive business record.

Applications are invited from Chartered Accountants who have significant experience in integrated accountancy systems and computer applications and who have operated at Board level in a manufacturing organisation.

It is anticipated that the successful candidate will be in his or her early 40's. There is a sound reason for advertising anonymously and this will be explained at interview.

The remuneration package includes a salary in the region of £10,000 and a company motor car.

Applications with full career details should be sent to: Fuction Number 15F 6331, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

Corporate Finance

An intelligent and creative executive aged around 30 required to head up, under a Director, a small team within the Corporate Finance Division of a leading Merchant Bank (one of the Accepting Houses), engaged in seeking out opportunities for acquisitions or disposals on behalf of clients.

Ideally, he or she would have graduated in economics and worked within the Research Department of a firm of stockbrokers as an analyst. Interest in meeting clients and ability to present opportunities clearly and with objectivity important. Knowledge of U.S.A. or fluency in French or German an advantage.

Salary around £7,000 per annum is envisaged, but would depend on qualifications and experience.

Applicants should write, giving full, but concise details of age, education and business experience, stating the names of any organisations to whom the application should not be forwarded.

J. D. Viner, Account Director (Ref. CF/MS)

Lockyer, Bradshaw & Wilson Limited
North West House, 119/127 Marylebone Road, London NW1 5PU

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

MADAME TUSSAUD'S LIMITED

c. £7,500 plus non-contributory pension and car allowance

We require a FINANCIAL CONTROLLER, responsible for all financial aspects of the Company and its subsidiaries in Amsterdam and the West of England.

This public company has a turnover of well over £8 million p.a. and an excellent growth record, and employing over two hundred people.

The Controller will join a small administrative team at Marylebone Road. He or she needs to become personally involved in some routine work, while taking a broad interest in the varied activities of the Company. Enthusiasm, tact and a sense of humour are essential.

The successful candidate should be a qualified accountant and is likely to have had experience in the profession and in commerce.

Applications in writing should be sent to Michael Herbert, Chief Executive, Madame Tussaud's Ltd., Marylebone Road, London, NW1 5LR.

TAXATION ACCOUNTANT

The Ready Mixed Concrete Limited Group of Companies is now to the above appointment at its Head Office in Feltham, Middlesex.

The Group has an annual sales turnover in excess of £500 million with extensive overseas interests, and is primarily concerned with production of ready mixed concrete, concrete products, sand and aggregate extraction, the supply of building materials and the distribution etc.

The Taxation Accountant will be responsible to the Group Tax Manager for preparing and agreeing with the authorities tax computations of a number of Group Companies, and for dealing with tax questions which may arise in those companies. He/she will, in addition, be called upon to consider and make recommendations on tax matters affecting the Group.

This is a senior appointment, carrying attractive conditions of employment including free life assurance and a contributory pension scheme. A Company car will be provided.

Applications in confidence from suitably qualified accountants stating previous experience and salary progression, should be addressed to the Group Personnel Manager.

Ready Mixed Concrete Limited
RMC House, Hight Street
Feltham, Middlesex

INTERNATIONAL BANKING

Business Development Officer

£9000 + By Negotiation

Our client is a well-known American Bank with assets exceeding £3 billion and a European staff of 30, and they need an experienced Business Development Executive with a good understanding of United Kingdom exchange control regulations.

You will be responsible for obtaining new U.K. loan business, for identifying and contacting potential clients to analysis and recommendation of loan proposals.

You will be joining the Bank at an early stage of their European development and the opportunities for advancement for an experienced Loans Officer with a successful background in business development are excellent.

For further details please telephone or write in complete confidence to MAUREEN CROSS at Cripps, Sears and Associates, Personnel Consultant, Burne House, 88/89 High Holborn, London WC1V 6LH. TEL. 01-404 5701

Cripps, Sears

SEPTEMBER 22 1977 OPPORTUNITIES FOR NEWLY QUALIFIED ACCOUNTANTS

The Financial Times proposes to publish, within its regular Thursday Appointments columns, on September 22, a section headed 'Newly Qualified Accountancy Appointments'.

This section is aimed to appear following the results of the Finals, when several thousand newly qualified accountants will be in search of career opportunities.

For full details of advertising in this section contact: James Jabratt on 01-248 8000 Ext. 588.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

MONTAGU, LOEBL, STANLEY & CO.

We wish to continue to expand our Gilt Edged Department and are looking for an experienced executive to service our Institutional Clients.

Remuneration will consist of a competitive salary and participation in the departmental incentive bonus.

Please reply in confidence to—

Mr. P. M. Tapscott,
Senior Partner,
Montagu, Loebel, Stanley & Co.,
31, Sun Street,
London, E.C.2.

Jonathan Wren Banking Appointments

The personnel consultancy dealing exclusively with the banking profession.

The following are among our wide range of current banking vacancies:

LOAN SYNDICATIONS..... to £11,000	DOCUMENTARY CREDITS (Commodity Financing) c. £7,000
INTERNATIONAL LENDING/BUSINESS DEVELOPMENT to c.£10,000	ACCOUNTANT (0'seas) to £13,500 net
CREDIT ANALYST to £7,000	CHIEF ACCOUNTANT (A.C.A.) c. £7,000
EUROBOND DEALERS to £12,000	ACCOUNTS (Senior)... £4,000 - £7,000
SENIOR F.X. DEALER to c. £9,000	AUDIT c. £4,500
F.X. ADMINISTRATION ... to c. £4,500	FINANCE REPRESENTATIVE to £5,000

For further details, please contact RICHARD MÈREDITH or LESLIE SQUIRES (Director)

Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4JX 01-623 1266

Overseas Director- Electronics

c. £15,000

Highly successful British group with substantial overseas interests and an enviable record of designs, manufactures and markets electrical and electronic components in a wide range of industries. The post of Director of Overseas Operations has become reliable following internal promotion. The successful candidate will be responsible for the profitable management of overseas subsidiaries located mainly in Western Europe, South America and Australasia, and for export sales from the United Kingdom. The essential requirements are a demonstrable record of the successful management of overseas manufacturing operations, a marketing bias

and experience in electronics or light engineering. A university degree and some fluency in French and/or German are also important. Preferred age range is 35-45. Salary can be negotiated in the region of £15,000 and other conditions are in keeping with best practice. Location: Southern Home Counties. Personnel Services Ref: GM38124/FT. The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Director of Consumer Affairs

£12,670

The Director is responsible for ensuring a fair balance between consumer and trade interests and heads one of the three divisions which administer the law relating to consumer protection and competition policy.

The business of the Consumer Affairs Division includes the monitoring of trade practices; proposals for changes in the law; promoting the adoption of codes of good practice by trade associations; helping local trading standards authorities to enforce the law; and publishing information and advice to consumers. The Division works closely with local authorities, consumer advice centres, trade associations and other representative bodies.

Candidates, preferably aged 35-55, must have a record of

substantial achievement in a relevant area such as business, the professions, or government, plus a strong interest in the problems of consumer protection. An understanding of the practical application of marketing, economics, or law would be an advantage as would a degree or appropriate professional qualification.

Appointment will be for 3 years or (in an appropriate case) on secondment.

For further details and an application form (to be returned by 7th October 1977) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: G9597/3

Office of Fair Trading

Banking and Finance

Our client is a well established and progressive City Bank. It is small, but extremely free and enterprising. Its success is largely due to its professional marketing and its ability to solve problems in a creative manner to meet the financial needs of a wide cross section of British industry and commerce.

Invite applications for the following immediate vacancies:

Manager/Director

Manager/Director to develop Corporate Finance strategies & business opportunities.

Area Managers

Area Managers with potential for promotion to Regional Manager/Director.

Desiderata:

Good honours degree. Professional qualification. Experience in the Corporate Finance Dept of one of the Accepting usps. Age: 35/40.

Remuneration around £15,000. Profit & equity participation. Reference: 45.

Honours degree. Professional qualification. Industrial/commercial/treasury experience. Marketing and selling talent. Age: 30/40.

Remuneration around £10,000. Car and other benefits. Reference: 1746.

Applications should be made in strict confidence, quoting reference number, to Robert Clive, Clive & Stokes, 14 Bolton Street, London W.1.

Clive & Stokes

Appointments & Personnel Consultants

International Timber Trading Executive

An excellent opening exists with a large international trading and shipping Group for an executive fully experienced in hard and soft woods and lumber.

A substantial trading base already exists with the building and contracting industry notably in the Middle East and Nigeria and the support of these connections would be freely available.

The position is either based in London, Paris or Geneva, but some overseas travel will be necessary.

It is expected that an applicant of over 30 may have the required background and experience. Good salary and terms negotiable.

Please write in confidence quoting Ref. No. FT1444 to: Tim Lane, MCS Robertson & Scott, Friendly House, 21-24 Chiswell Street, London EC1Y 4UB.

Please list in a covering letter any company to whom you do not wish your application forwarded.



MCS/Robertson & Scott

A member of the MCS group
Recruitment Advertising, Search, Selection
London, Dartington, Glasgow, Edinburgh, Aberdeen



TOP LEVEL EXECUTIVES £15,000 and over

Our top level executive service provides a confidential means whereby senior executives interested in furthering their career opportunities may keep in touch with current market developments.

We cater for high ranking executives who are well qualified academically, professionally and/or through sound experience in their particular disciplines, covering a wide cross section of industry and commerce. Our carefully compiled top echelon register is particularly suitable for executives in both public and private companies who are settled in their present posts but would like to be advised of exceptional career opportunities which come to our notice.

Interested executives are invited to write with brief details, and in complete confidence to

V K Diver,
Personnel Resources Limited,
Hillgate House,
Old Bailey,
London EC4M 7HS.
Tel: 01-248 6321



Scottish Development Agency Financial Planner

(£5,985 - £7,194 + £520 p.a.)

The Agency has been charged with a major and crucial task in regenerating the Scottish economy and improving Scotland's environment. The Agency has been given broad powers of industrial investment, industry promotion, factory building, land renewal and urban renewal.

There is a vacancy for a Financial Planner in the Agency's Strategic Planning Unit which is responsible for forward planning and for monitoring the effects of the Agency's work.

The Financial Planner will assist in the development of the Agency's strategy in the industrial and urban sectors. He will have responsibilities for examining the financial aspects and requirements of the Agency's programme. In particular he will identify factors affecting profitability in selected industries and assess the financing requirements for Agency-assisted projects in both the industry and urban sectors.

The position will require a financial background with either MBA or accountancy training. Experience in industry and consultancy would be desirable.

Applications should be made in writing, giving brief career and personal details to David Swift, Staff Executive, 120 Bothwell Street, Glasgow G2 7JP, to arrive not later than Monday 3rd October.

Scottish Development Agency

Loans Officers

International Merchant Bank

£8,000 - £12,000

Our Client is an extremely well founded International Consortium Bank who can boast a remarkable record of growth and an envied reputation for combining sound banking practice with entrepreneurial flair.

Its on-going development objectives now demand that the Bank recruits one or two additional Loans Officers with the ability to generate and negotiate profitable business, with a particular focus on Latin/S. America.

Prime requirements in a Candidate, who should ideally be in the age range 25-40, are:

- a good academic standard (not essentially extending to a degree or a professional qualification),
 - sound Credit training and experience,
 - the personal qualities to enable one to deal successfully with the most senior people,
 - a knowledge and appreciation of the economic and financial structure in Latin and South America,
 - reasonable fluency in Spanish or Portuguese,
- although the Bank might compromise on the latter two factors in the case of a Candidate at the younger end of the age range who presents exceptional potential.

As well as challenging career opportunities, the Bank naturally offers an attractive range of fringe benefits.

To discuss these possibilities in the strictest confidence, please telephone John Chiverton, A.L.B., on 405 7711

David White Associates Ltd.
Hampden House, 84, Kingsway, London, W.C.2.

SENIOR EXECUTIVES

INTEREXEC gives positive assistance to Executives seeking new employment or to improve or change their careers.

Where to start looking for a job. Which Agencies can help. How to find unadvertised vacancies? What are conditions like in the Middle East? How to succeed at interview. How to find the right job at the right salary.

INTEREXEC maintains all the information you need, provides a comprehensive advisory service and does all the ground work of job hunting for you, enabling Executives to explore the market in confidence, and to secure the right appointments faster.

Why waste time? - Phone for details.
THE INTEREXEC REGISTER LTD.
The World Trade Centre, London E1 9AA.
Tel: 01-488 2400, ext. 53.

مكاتبنا في لندن

Operations Manager

Major International Merchant Bank

Our Client is Saudi International Bank, an expanding City-based Merchant Bank whose shareholders include the Saudi Arabian Monetary Agency and several of the world's leading banking names.

Current and projected expansion plans require the appointment of a mature and fully experienced banker to assume full responsibility for the control and development of all operational areas of the bank's activities, with special emphasis upon data processing.

Candidates, preferably in their mid 30's to early 40's, should possess a comprehensive background and experience of international banking operations and be able to demonstrate positive leadership qualities. A financial accounting background would be extremely helpful.

This represents an excellent opportunity to contribute to the management and organisation of an efficient and fast-expanding bank. The scope and responsibilities of the position will be matched by a highly competitive five-figure salary and attractive fringe benefits which will include a car.

Contact Norman Philpot in confidence
on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone: 01-248 3812/3/4/5

Assistant Managing Directors Thomas Cook

London not less than £15,000 p.a.

Thomas Cook Bankers Ltd. is the financial arm of the International Travel Group. Its business in Travellers Cheques, Foreign Exchange and other Banking Services is expanding rapidly worldwide and two Board appointments are to be made to maintain the impetus of its growth and share the load of the Managing Director to whom they will report. For both appointments: salary not less than £15,000 p.a., car and other major company benefits.

Assistant Managing Director Operations

Responsible for the profitable implementation of business plans for Banking products and services worldwide (except for the USA and Canada). Candidate must have had responsibility for managing an international marketing operation with direct control of a sales force. Preferred age range 40 to 50 years. Location: London - Ref: AO/3895/FT

Assistant Managing Director Marketing and Development

Responsible for developing and marketing Banking products and services worldwide and for providing support services to the operational activities. Candidates must have had experience in developing new products and markets internationally and of international administration and distribution systems. A knowledge of E.D.P. and project management is desirable. Preferred age range: 40 to 45 years. Location: London Ref: AM/3896/FT

Please reply to us quoting the appropriate reference on both envelopes and letter, stating how you meet our Client's requirements. No information will be communicated to our Client without permission. Men and women are invited to reply.

Urwick, Orr & Partners Limited Bayliss House, Stoke Poges Lane Slough SL1 3PF

Financial Director Europe

London

c. £12,500 + car

An international engineering group, with headquarters in U.S.A., offers an unusual opportunity to a well qualified and enterprising accountant to become financial director of its expanding European operations.

The person appointed will report to the European chairman and will be expected to co-ordinate the accounting and reporting systems of the European companies, improve the financial controls and assist in the general management of the group.

Candidates should be familiar with the methods of American international operations and with accounting practices in France and other western European countries. A knowledge of French is highly desirable. The successful candidate will be aged between 30 and 40, and will be adaptable and willing to travel.

Apart from a negotiable salary, there are generous fringe benefits.

Write in confidence, quoting reference 2763/L to E. M. Nell



Peat, Marwick, Mitchell & Co.,
Management Consultants,
11 Ironmonger Lane,
London, EC2V 8AX.

Group Taxation Manager

London W.1.

c.£12,000 + car

Wilkinson Match is an international group, manufacturing and marketing consumer products and safety and protection equipment, having an annual turnover of approximately £200 million.

The Group Taxation Manager will be responsible for the management of the Group's taxation affairs, working in close collaboration with senior executives on all aspects of taxation, management and planning.

The successful candidate will be commercially orientated and professionally qualified, probably with an accounting or legal background and have the will-

have substantial experience of corporate taxation in an international Group. Salary will be around £12,000 per annum. A company car will be provided along with other fringe benefits associated with an international company. Assistance with relocation will be given where appropriate. If you are interested in this position, please write giving details of age, experience and current salary to: Group Personnel Manager, Wilkinson Match Limited, Sword House, Totteridge Road, High Wycombe, Bucks HP13 6EJ

Wilkinson Match

ACCOUNTING for PROFIT

(SENIOR MANAGEMENT ACCOUNTANT)

This is a new appointment and a career opportunity. It is at the centre of a major British enterprise that has a world-wide reputation. Turnover is over £1,000m.

The key task is to review and continuously improve the integrated management information and control systems that focus the opportunities that management of the business have to improve performance. Responsibility is to the Controller.

There is much scope for a qualified accountant, preferably an A.C.M.A., to demonstrate business judgment, originality, and professional skill.

Success in costing, budgeting, and financial analysis (systems and techniques), both manual and computer based is required. Experience in companies where tempo is fast, the standards stringent, and performance criteria demanding, would be ideal.

Age: mid-late 20's. Location: London.

Salary: about £8,000 with attractive conditions of service.

Letters from suitably qualified men or women, should include a detailed curriculum vitae including salary progression to date which will be handled in confidence by Dr A G Roach.

ROACH

A G ROACH & PARTNERS,
8 HALLAM STREET, LONDON WIN 6DJ

Accountant for a business development role

Early 30's £10,000 — £13,000 + car.

Our client is a rapidly expanding manufacturing and food service company and part of an international group with an outstanding reputation for investment and growth. Effective financial management has contributed significantly to success to date.

The company is actively diversifying into a range of businesses, from food distribution to electronics both in the UK and abroad, which is leading to £200-million project expenditures.

As a result, they now wish to appoint to a new position an experienced Financial Manager, required to evaluate capital projects and medium range operating plans, and to design and introduce control and information systems.

The position is seen as suitable for a qualified accountant in his or her early 30's

with industrial or relevant consultancy experience, and who is interested in contributing to the success of rapid developments prior to moving into senior line management in either finance or another business function within our client company or its group.

Salary will be in the range £10,000-£13,000 plus car, non-contributory pension and life assurance schemes with relocation assistance to the Thames Valley location.

Ref: SJ3599
REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1A 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Financial Controller Multiple Retail

The success of the company — multiple own label retailers of fashionable outerwear — stems from a tight top management team. But with major expansion imminent a strong administrative function is needed to complete the team.

In this business financial control really means control. The FC governs the business, actively intervening to hold the ring at all stages and in every particular of the extended manufacturing-to-retail cycle.

Candidates should be near the top in a large retail (not necessarily clothing) store operation. Qualified professionals, around age 40.

West London location. Salary negotiable from a floor of £10,000. Car, excellent pension.

Please write — in confidence — to Wallace Macmillan ref B.31200.

This appointment is open to men and women.

MSL Management Consultants

Management Selection Limited
474 Royal Exchange Manchester M2 7EJ

GILTS International Fixed Interest

One of the leading Acceptance Houses wishes to strengthen its team in the field of international portfolio management. Applicants should have at least two years experience in the U.K. gilt market. As a member of a professional team the person appointed will probably have a formal qualification with a mathematics background. A knowledge of foreign

languages would be useful, but not essential.

This appointment will appeal to someone who is attracted by the challenge of broadening their career into the field of international fixed interest securities.

An attractive salary will be offered, reflecting experience and benefits are in line with normal banking practice.

Applicants should initially telephone G. M. Simms for an application form quoting reference 6139. Mervyn Hughes Group, 2-3 Cursitor Street, London EC4A 1NE. Telephone: 01-404 5801 (24 hours).

Mervyn Hughes Group

Management Recruitment Consultants

Group Pensions MANAGEMENT

• THIS is a top management position in a major British group with a pension fund of some £50m and 18,000 members.

• RESPONSIBILITY is to the Trustees for all aspects of pensions administration and development.

• THE requirement is for a person with a successful record in modern corporate pension administration in a large group. This should be backed by a degree or professional qualification.

• SALARY is negotiable but will not be less than £12,500 with appropriate fringe benefits. Age under 50.

Write in complete confidence
to K. R. C. Slater as adviser to the group.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON WIN 6DJ
22 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Public Relations Officer International Bank Working in French and English

Our client, the UK subsidiary of a leading international bank, currently wishes to recruit a Public Relations Officer to join their City Office.

This is a senior role working closely with general management, so the need is for a real PR professional. As well as sound experience in all aspects of Public Relations, an important requirement is the ability to speak and write both French and English to the highest standard. Previous experience in a bank would be an advantage.

You will have a wide ranging brief which will include maintaining good relations with the press, organising PR functions, supervising English language

advertising on a subsidiary and group level, print buying and departmental budget control. In addition the P.R.O. edits the house magazine and is expected to advise on internal communication methods.

A salary in a range up to £7500 p.a. will be negotiable according to your experience and ability. Fringe benefits are those normally associated with a major bank.

If your experience matches our client's need, then write in the first instance, enclosing details of any companies to whom you do not wish your application sent, to: K. Long,

MOXON DOLPHIN & KERBY LTD
Moxon Dolphin & Kerby Ltd,
60 St. Martins Lane,
London WC2N 4JB.
Please quote ref. 006/KL
MANAGEMENT SELECTION

Marketing Director 5-figure salary negotiable + CAR

Alcan Booth Industries is a part of Alcan Aluminium (UK) Ltd., a leading European aluminium company. Due to the transfer of the present incumbent to another position, in the U.S.A., we are currently seeking a Marketing Director for our Finished Products Division. This Division is one of three broad business centres within the Company, the other two being the Smelter Division and the Mill Products Division.

The mission of the Finished Products Division is to develop profitable downstream manufacturing and distribution activities using the products of the smelter and mills. The Division currently consists of ten companies whose aggregate 1977 planned turnover is £75 million. The companies are principally in the building, road transport and distribution fields; a wide span is planned.

Reporting to the Divisional Managing Director, who is a member of the Company's Board, the Marketing Director's responsibilities include:

Please write, giving brief details of how you meet the above requirements, to:
F. J. Davies, Esq., Managing Director, Finished Products Division,
Alcan Booth Industries Limited, 23 West Bar, Banbury.

ALCAN
... everything from aluminium

- * development of commercial strategy,
- * identification of markets & products suitable for investment,
- * negotiation of acquisitions,
- * provision of marketing consultancy services to the Division's units,
- * general direction of the on going commercial affairs.

As well as possessing a successful Marketing background, the successful candidate will probably have been in General Management, Corporate Planning or commercial/financial consultancy. A level of intellect normally associated with an honours degree is essential and an M.B.A. will be an advantage. The preferred age range is 35 to 50 due to the need for experience and stature; however these limits are by no means rigid provided the latter characteristics are present. The job is seen as a stepping stone for a senior general management post in the Division or elsewhere in the Company. A company car is supplied and the salary is negotiable.

Creative M.B.A.

No rigid pre-conceived ideas of management at Ortel Foods!
We move too fast to be bureaucratic.

The Group has substantial interests in food retailing, processing and distribution and turnover rose from £12 million in 1973 to over £30 million in 1976. In just six months we have restructured the Group and have begun major developments which create an opportunity for a Business School graduate, male or female, with sufficient management experience to reach Divisional Director level in less than two years.

You must have the intellectual brilliance and flair to identify and seize business opportunities wherever they arise. Combine that with creativity, hard work and an aggressive style and we'll be very interested. Other M.B.A.s have done well with Ortel, including the Chief Executive, to whom you will report initially.

We demand a lot but the rewards are good. Remuneration package will not be a limiting factor and will include bonus and car. Operating base will be Hatfield or the North West; relocation costs will be met.



For more information contact John Newnham, Director—
Group Personnel, Ortel Foods Limited, 87 Great North
Road, Hatfield, Herts. Telephone Hatfield 69911.

CAYZER LIMITED

Cayzer Limited is a recently established merchant bank and a subsidiary of The British & Commonwealth Shipping Company Limited. The emphasis of its activities is on corporate finance and corporate banking. The Bank is seen as having scope for developing these activities within the British & Commonwealth Group and with non-Group related clients.

In order to assist the Bank in its expansion, two articulate commercially aware senior executives are required. A university degree plus a legal or accountancy qualification followed by several years of post-qualification experience are essential requirements. Ideally, a lawyer should have obtained post-qualification experience in a merchant banking environment but an accountant could well have acquired the necessary skills in industry.

Please write in complete confidence with curriculum vitae to the Managing Director, Cayzer Limited, 5 Laurence Pountney Lane, London EC4R 0HA.

RESEARCH ANALYST

London up to £6441

The Pension Funds Investment Department, within the Finance Division of British Gas, requires an experienced Research Analyst. You will assist the Principal Research Analyst in the preparation of recommendations for investment. This will involve continuous monitoring of equity and other sectors as well as close scrutiny of the financial press, brokers' circulars etc. In addition you will be expected to prepare both industry and company reviews and make company visits as necessary.

Candidates should have an economics or numerate degree, or a professional qualification, and experience in a relevant environment.

Salary will be in the range of £4695-£5673 plus £456 Inner London Weighting and £312 Flat Rate Supplement.

Please write with full details of age, qualifications, experience and current salary, quoting reference F/231001 to the Senior Personnel Officer (London), British Gas, 59 Brynston Street, London W1A 2AZ. Closing date for applications September 23rd, 1977.

BRITISH GAS

LONDON WEST END FROM £6,000 p.a.

YOUNG QUALIFIED TAX ACCOUNTANT

We are seeking a young male/female qualified accountant preferably with more than two years' post qualification experience who would like to acquire a wider knowledge of company taxation work.

The accountant will be located in the Finance Department at group headquarters and will assist with the preparation of company tax computations and estimates for companies in an international group. There will be opportunities to acquire knowledge of U.K., Irish, other European and overseas tax legislation and to solve double tax relief problems.

The salary (including allowances and annual profit share) is negotiable at approximately £6,000 p.a. Benefits include five weeks holiday. Non-contributory pension scheme. Please telephone 01-629 9685 for application form or write stating age, qualifications and experience to:

The Group Chief Accountant,
Arthur Guinness Son & Co. Ltd.,
10 Albemarle Street, London W1X 4AJ.

GUINNESS

STOCKBROKERS

Old established firm with strong institutional connections in London and Scotland seeks additional lively people to continue and participate in the firm's growth.

Stock Exchange Members and Partners capable of generating ideas as well as able to service and market research to institutional clients would be considered.

Younger candidates, determined to succeed would also find the environment progressive, and together with the above would be able to broaden the firm's existing areas of research.

Please write in the first instance to Box A.6074, Financial Times, 10, Cannon Street EC4A 4BY. All letters will be acknowledged and treated in strict confidence.

SENIOR EUROBOND DEALER

The applicant must have an in depth knowledge of Eurobond markets and be sufficiently experienced to expand the Bank's trading activities, manage a number of clients' portfolios and be able to supervise settlements. Salary is negotiable and will include the usual fringe benefits. Please apply in the first instance in writing to Mrs. Jeanne Rout, Personnel Manager.



Italian International Bank Ltd.

P & O Building, Leadenhall Street
London EC3V 4PT
Tel: 01-523 8700 Telex 986370 (General)

International Sales Management

Major capital project

Airbus Industrie is a major consortium of European companies engaged in the production of the Airbus A300. This new wide bodied aircraft has a seating capacity of 250 and is designed to provide considerable cost savings over its competitors. A significant order book has already been obtained, with a number of aircraft already in operation throughout the world. Experience in service has completely proven the technical and economic arguments set. The company now wishes to expand its sales effort by appointing several high calibre area sales managers to be based in the South of France. They will be responsible for an international area and will have full technical and support services backing. Candidates, ideally in the 30 to 50 age range, should have extensive experience of marketing high-technology

capital goods at the highest levels of major customer organisations. A commercial airline industry background would be a distinct advantage, although not essential, as key attributes are energy, drive, resilience and sales ability. A substantial five figure salary will be paid and re-location to the South of France will be provided.

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Advertising and... The toys war hots up

BY MICHAEL THOMPSON-JONES

FISHER-PRICE TOYS, of Snoopy and Frisky Frog fame, is to face its shouloons with a £200,000, five-week TV campaign from November 7 to December 11 aimed at exceeding its sales in the key Christmas period. The toy market is difficult to define, but probably totals around £300m. Fisher-Price, part of the Quaker Oats Group, says its own turnover this year will be between £10m and £12m, compared with something over £5m last year. It reckons its range of 48 toys has around 8 to 10 per cent of the under-five's market.

The TV campaign—the agency is French Gold Abbott—will use a new 30-second commercial on all stations which should be seen by four out of five housewives. In addition, Fisher-Price will be spending £75,000 in magazines. The company has also recently appointed a new managing director in 34-year-old James Arnold-Baker, who was managing director at Record Merchants, the rack-jobber owned by a consortium of major record companies for five years.

Fisher-Price says that its selling edge is that its toys are fun, high-quality, colourful and safe. Its toys are promoted as hand-me-downs to be passed from one child to the next. Although its sales performance is bright, it reckons there is plenty of growth left in the U.K. where it says 66 per cent of parents with children under five bought a Fisher-Price toy last year, compared with 99 per cent of parents in the U.S. The average U.K. parent bought 3.4 toys last year, their American counterparts bought 15.

Cinzano walks out on OBM

WITH AN abruptness which has shocked Ogilvy Benson and Mather, Cinzano, the vermouth distiller, has abruptly left its Slim account away from OBM and deposited it in the hands of an equally surprised Collett, Dickenson and Pearce. OBM vice-chairman, Tubby Fisher, says he is surprised because Cinzano's move came absolutely out of the blue. Indeed, he had a letter two months ago from Cinzano saying how delighted they were with out latest campaign. It is astonishing. It's not a good thing to lose business without giving a reason. It has to be political.

The last remark refers to conjecture that the move came about because Fiat owns a large stake in Cinzano and Fiat recently appointed Collett as its agency. This theory is not accepted by Collett. OBM, which produced the bright 'high taste' for Cinzano, pointed out ruefully last night that Cinzano had enjoyed a tenfold expansion in sales in the nine-year association between them.

FOOD FROM FRANCE, responsible for organising promotions of French food and wine in the U.K., is planning a £200,000 spend this autumn to help boost sales of appellation contrôlée wines. The original campaign started two years ago with a series of educational ads. The new ads seek to convey the character of the Alsace, Bordeaux and Loire Valley regions and remind customers that appellation contrôlée is France's highest designation of fine wine.

Ford spends £500,000

TO-DAY'S LAUNCH of the new Ford Granada will be bolstered by an Ogilvy Benson and Mather Press and poster campaign. According to OBM, 'Engineering, workmanship and safety take top priority on the shopping list of the car-buyer. Detailed copy in the advertisements cover these important factors and more.' Two weeks after the new Granada launch there will be a campaign for the new Cortina which will have an optional V6 engine. This engine will make the Cortina more competitive in the executive car market. The

advertising will follow a similar course to that of the Ford Granada with the exception of poster advertising. Total billing for these two campaigns is in excess of £500,000.

C. B. BROOKES Advertising, of Uttoxeter, has won the Britannia Building Society account, worth £300,000.

SLUMBERLAND, which says it is Britain's biggest bedding brand, is running a £300,000 national TV campaign this

autumn, as well as a series of big promotions. Managing Director David Webster says the national distribution across 6,500 outlets, TV advertising expected by the trade, are being offered a kind of 'knock-out' based on prizes worth £400,000. A £4M PURSUIT begins on September 19, when the monthly from IPC magazine the first (October) issue on September 29, at 20p.

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FINANCIAL TIMES

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Thursday September 15 1977

Exports and sterling

AFTER HESITATING on the FT 30-share index yesterday broke decisively through the all-time peak of 543.6 reached in the spring of 1972. That psychological barrier was passed just before the trade figures were announced; the figures themselves, though freakish, were good enough to push prices further ahead. The market has been impressed over the last few days by a flow of economic news which, with one major exception, has been remarkably cheerful. The pound is strong, interest rates have been reduced again and the inflation rate is coming down: there are some signs of cautious optimism among businessmen that a wages explosion may be avoided. The important exception is the level of industrial activity which, as the latest industrial production index shows, has been running below the level of a year ago; even here the Bank of England, in its Quarterly Bulletin published yesterday, suggests that the turning point may have been reached and that a modest recovery is now in progress.

Progression
The trade figures for August, which showed a surplus on visible trade of £141m., were freakish because they reflected an unusually large fall in imports from the high July level; lower imports of diamonds, ships and aircraft were responsible for half the fall. But the three-month period from June to August, showing a deficit on visible trade of £386m. compared with £542m. in the preceding three months, gives a fairer picture of the expected progression towards a sustained surplus: between the two periods there was an improvement of nearly £200m. in the balance of trade in oil. A major factor, too, has been the improvement in the terms of trade.

On the non-oil account the picture is not quite so bright. Although the depressed state of economic activity is reflected in a continuing low level of imports of basic materials, the propensity to import finished manufactures is still high. After excluding North Sea installations imports of finished manufactures between the two three-month periods rose by 7½ per cent in value and 7 per cent in volume: road motor vehicles, once again, played a significant part. Exports, which have provided virtually the only significant source of growth in the economy so far this year, continued to show respectable gains in the latest three-month period. In value terms, and excluding North Sea installations, exports

of manufactured goods were 4½ per cent higher than in the previous three months, with exports of machinery showing an 8 per cent increase.

Whether exports can maintain this performance is one of the major uncertainties in the economic outlook. The competitiveness of British exports and the level of world trade will be crucial.

The Bank of England Bulletin suggests that U.K. exports have been increasing their share of overseas markets and that the relatively rapid rate of export growth is likely to continue. This confidence may be linked to the Bank's views about exchange rate policy, which are set out in some detail in the Bulletin. The Bank accepts that an appreciation of sterling will help to reduce inflation, as the wholesale price indices for August clearly showed, but argues that the costs to be paid in terms of the adverse effects on exports, imports and output, may be higher than some commentators have assumed.

Competitiveness
The initial effect of an appreciation is to make exporting industries less competitive or less profitable, but the favourable impact on import prices should, in theory, work through the system, affecting both wages and prices and eventually restoring the competitiveness of exporters to the original level. But the Bank warns that the time lags involved are considerable and that the damage done to exporting industries could be both substantial and persistent. Moreover, an exchange rate appreciation might be reflected only incompletely in domestic price changes; thus industrial competitiveness might be affected, not just in the transitional period, but even after the adjustment had run their course. The implied conclusion is that the Government's present policy of holding the pound stable against the leading currencies should be maintained.

It is arguable that this approach does not take sufficient account either of the effect on inflationary expectations of an appreciating exchange rate or of the difficulty of coping with large capital inflows without infringing the money supply guidelines—which the Bank regards as a key element in the anti-inflationary programme. The present uncertainty over the likely size of wage settlements may be pleaded in justification of a cautious policy on the exchange rate for the time being, but it may not be tenable in the long term if the inflows continue.

What the market is celebrating

BY ANTHONY HARRIS

FOR THE second time in five years, stock market prices have reached an all-time peak at a time of record unemployment. This is obviously tactless when trade union leaders are struggling to get another year of rational wage settlements, and City commentators have been loudly reminding us that the record is on this occasion entirely a monetary illusion.

Stock market prices have returned to their 1972 levels after five years in which the prices of many other things have doubled or trebled. There are rather more relevant yardsticks which tell the same story: measured against the still-depressed earnings of the companies concerned, share prices are historically low; and against prices in other bourses London prices are little more than half way back to their pre-crisis level, once allowance is made for the sharp fall in the value of sterling.

These qualifications are very timely and true, but they do not altogether explain away the fact that the FT Index—which, as a geometric average, tends to understate the size of hull markets—may before long have quadrupled since the beginning of 1975, and in the process has enjoyed two near-vertical rises of a size with few precedents in the history of securities dealing. The proportionate rise in London from the worst crisis levels has been two to three times as big as in any other major bourse, which is largely a measure of the depths plumbed in 1974; even more strikingly, London has recovered its historic highs, however devalued they may now be, while markets elsewhere are still far below their historic peaks. In two important markets—Paris, although the French are commonly supposed to be in a country to have made quite a creditable job of economic management, and in Milan, against a background of admittedly forbidding problems—prices are still extremely low.

Some brokers argue that stock prices have done little more than reflect first the collapse and then the recovery of some measure of real earnings, and can produce plausible figures to prove it, but it would be very odd if this were true. Stock markets attempt to look to the future, and politics, North Sea oil, the IMF and the structure of the market itself have all influenced prices far more directly than they have the level of profits. Economic fashion has also played a part. Nevertheless, the profit theories are a healthy reminder that earnings prospects do remain fundamental to the equity market.

The collapse of profits in Britain has been intensely studied, but is still not fully explained. International comparisons show, for what they are worth, that the profits in Britain are very much lower than in any

other industrialised country, whether measured as a return on capital or as a margin on value added; what is more, they have fallen much more sharply here than in any other major country in the past decade. The net return on capital has recently been estimated at below 3 per cent, compared with figures ranging from 8 per cent upwards in other industrialised countries. It is hard to make strictly accurate comparisons, and the results are partly explained by high interest rates in the U.K., but the contrast is still telling.

The margin on value added, a rather more sophisticated version of the sales margin, is a more reliable and equally re-

vealing measurement. In this country it has fallen from nearly 24 per cent in the mid-1960s to just over 11 per cent in the trough years of 1975-76. This is only half the level of our least profitable competitors; and in most countries the margin on value added has remained extremely stable over the last decade and a half, although the return on capital has tended to decline as industry became more capital-intensive.

The crisis of profits and liquidity was certainly responsible for the fall and recovery of the market in 1974-75. During 1974 the repeated warnings from the Confederation of British Industry about declining profits, which had already helped to divert funds out of equities into property during the preceding financial boom, began to sound like a death-knell. In the face of wages rising at more than 30 per cent annually, companies could no longer earn enough money to sustain their existing activities. To maintain their working capital and compete in quite modest ways in investment spending planned in earlier years, industrial and commercial companies

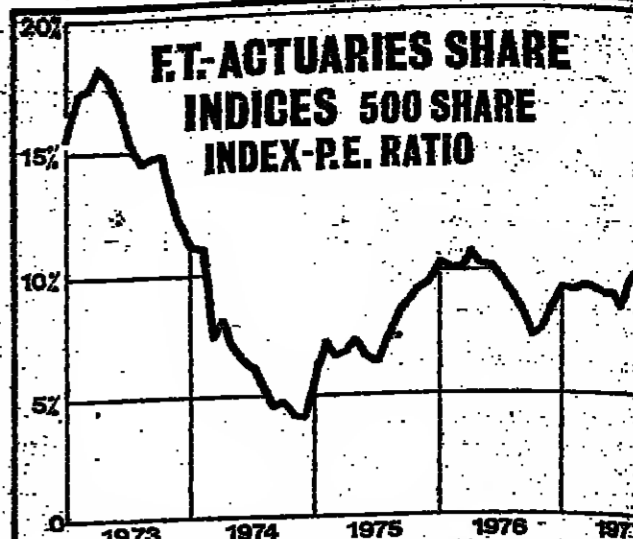
were forced in 1974 to borrow more than £4bn. After the fringe banking and property crises, largely a relapse from an orgy of over-lending, the market was ready to be scared out of its wits by this sign of financial danger.

The immediate cause of the tormented was the Chancellor of the Exchequer's announcement in November 1974 of tax relief for stock appreciation—the biggest single tax concession ever made to industry. It was some weeks before the market responded to this reprieve for company finances (the net deficit of industrial and commercial companies was reduced to less than £300m. in 1975) because of another major

feature of the British stock market in recent years—the dominance of the financial institutions in the market. Some impatient brokers, who had been looking for a turn round for some months, were already openly accusing the institutions of behaving like sheep. They now demonstrated this by stampeding. A persistent and perfectly credible story says that the market was turned by a group of institutions which met in secret, and decided jointly that the time had come to buy. None had been able to muster the courage of this conviction on its own.

Contractual saving

The importance of the institutions cannot be measured simply by the fact that well over half the equity of British industry is now held by them. The immense growth of contractual saving through the institutions—the flow increased nearly five-fold in the decade to 1976—has meant that institutional purchases, largely from personal investors, have increasingly dominated the equity market.



Essentially this is the result of a change of generations. The sellers are an older generation who have retired, or their executors.

These personal sales are partly forced, to meet living expenses or the demands of the revenue, and have for some years been one side of the most important sectoral flow through the securities market. Even in the peak year of 1972, when prices favoured company financing, personal sellers took twice as much out of the market as did the company sector. In 1973 personal sellers realised more than £2bn., and industrial and commercial companies raised only a little over £150m. In

it is worth remembering that in foreign currency terms, and compared with values ruling in other bourses, the second trough was almost as deep as the first.

The financial crisis demonstrates the truth of Keynes's observation that even the most practical man of affairs—or, in this case, the most opportunist of investors—is unwittingly a slave to economic theory.

Events in both London and New York have been dominated since the onset of inflation by expectations which have become unpoplar. In the days before people worried about the quantity of money, a flush of funds in the economy would cause a securities boom until the inevitable consequences followed. Nowadays the market falls on an undue rise in the money supply, yet is bullish when funds appear to be tight.

This apparently upside-down behaviour is perfectly rational. The flow of funds through the equity market, as we have seen, is dominated by secondary sales from the personal sector to the institutions: but by far the biggest flow in the market as a whole is to finance government borrowing.

Again, the abnormal growth of a group of financial intermediaries—this time the building societies—has helped to make the stock market more unstable. In both cases, the growth has been the result of deliberate government policy designed to encourage investment, both in industry and in housing. In the event, the fact that a lopsided financial system is prone to crisis has swamped any good that might have been achieved by the investment funds and the building societies deploying their enormous inflows. One lesson which the Wilson Committee ought to take to heart is that government interference in the supply of finance tends in the end to be highly counter-productive.

The result last year was nearly disastrous. Britain's public sector borrowing requirements has not in fact been abnormally large by international standards, but the burden on the main financial markets has been far bigger than anywhere else. As a result, the consequences of a relatively minor hiatus in government funding last year became nearly unmanageable. Markets fell on a rise in the money supply, because they knew that more aggressive government financing must follow. In London, the rise in interest rates which resulted was not the point or two which so readily pushes Wall Street into a mild depression, but six a long way to go.

Heavy weather over Skytrain

THE CIVIL Aviation Authority is in danger of making itself look ridiculous by its latest decision about Laker Airways' Skytrain service. The airline is to be allowed to operate its new service out of Gatwick Airport, rather than Stansted, in competition with the new cheap fare services planned from Heathrow by the three established U.S. and U.K. carriers on the London-New York route—British Airways, Pan Am, and TWA. But Laker will not be allowed to sell tickets and check in passengers and luggage at Gatwick. It will have to arrange its own facilities somewhere else.

Fair opportunity
The Authority says it wants the established carriers to be afforded a fair and equal opportunity to compete. Because of the congestion at Heathrow they, too, have had to provide booking desk check-in facilities off the airport. Yet imposing the same condition at Gatwick runs directly counter to the policy of trying to shift traffic from Heathrow to Gatwick, an airport which is under-utilised and upon which some £100m. is currently being spent to raise capacity yet further. Furthering this policy was one of Britain's aims during the recent renegotiation of the Bermuda agreement governing Anglo-American air services. Above all, the off-airport restriction at Gatwick may help the established carriers but it will greatly inconvenience the air traveller, particularly the new customers the airline is hoping to attract. Rather than contrive a parity of restrictions at different airports, the CAA might have told all four airlines that if they wanted to operate these new services they should all do so from Gatwick.

Yesterday's decision is not

final. Laker Airways is appealing, and the CAA has yet to rule on other changes the airline is seeking in its Skytrain licence—much greater frequency, an earlier time at which tickets may be sold each day, and permission to sell through travel agents. These changes and the move to Gatwick were sought by Laker after the nature of the three established carriers' response to the Skytrain idea became fully apparent—a reaction which the U.S. Department of Justice has described as predatory and which the U.S. Civil Aeronautics Board decided yesterday to restrict in part. It will therefore be only when the remainder of the CAA's Skytrain rulings are known that it can be judged whether the competitive ground rules for the new services are truly "fair and equal."

Long saga
The Skytrain saga is now very protracted. The airline was first given a licence some six years ago only to lose it upon the arrival of the present Labour Government, and then regain it on appeal to the courts. As a result of the new Bermuda agreement—an occasion for a clash between the U.K. Government's philosophy of tailoring supply to demand and the U.S. desire for a more competitive framework—Laker was designated Britain's second carrier on the London-New York route. The other carriers then prepared to retaliate in force, and Laker asked for a fairer chance. It is now 11 days to the start of Skytrain, and Laker still awaits an answer. International civil aviation is bound to involve governments seeking to protect their national interests, so a managed market is unavoidable. But there ought to be better ways than this of providing scope for new initiatives,

MEN AND MATTERS

Blinding light strikes Brian

When Brian Walden faces the cameras for the first time as compeere of LWTV's Weekend World on Sunday lunchtime his guest will be Margaret Thatcher, foot foot from her trip to the United States.

Walden promises viewers no less than "the great untold story" of our possible future leader. Having spent the last 13 years as a Labour MP sitting opposite the good lady I assumed that he already had a clear opinion about her. Not at all. Having "assembled all the evidence" he has come up with the startling conclusion, which he hopes to see proved by Mrs. Thatcher herself in the course of his one hour interview, that "she really means what she says."

By his tone he clearly felt that to be a shattering revelation about a politician, so I urged him to tell more.

"You think she's Heath in skirts," he said. I demurred and suggested the image of a blonde Gilda. She is nothing of the kind. She has the kind of commitment you hokies are not used to in politicians. It is all based on Greek philosophy and the Old Testament.

Was this good or bad, I asked? "Well, that depends on your viewpoint, but when she says she intends to cut public expenditure, she will. She'll bring about lots of other changes that will upset the City which is not fond of changes, anyway."

Distance from Westminster obviously lends a different perspective to things, so I asked Walden how he liked his new job. "Terribly refreshing. You no longer have to talk nonsense and make excuses for aspects of politics you feel are as bad



"I'm afraid you need a larger door."

Black and white

More news from the newspaper battlefield in Salisbury, Rhodesia. Last week I reported that Lennox is planning its hopes on expanding the Zimbabwe Times, a weekly run by Herbert Munangate; Tiny Rowlands is also sending out one of his most experienced lieutenants, Ron Colley, to prepare for the company's post-independence role. But yesterday the Argus Group, which owns 40 per cent of the Rhodesian Printing and Publishing Company, demonstrated that it hopes to cling on to its Press supremacy. RP and P has bought out the company that published the National Observer, another—and more successfully—weekly which supports the black nationalist cause.

The buyers say they do not expect any early financial benefits from their £280,000 purchase, but that it will "increase their market penetration." In other words, they will have more black readers. Interestingly enough, the National Observer supports Bishop Abel Muzorewa. If Rowlands does throw his weight behind the Zimbabwe Times, he will also be urged by President Kenneth Kaunda of Zambia to use it as a mouthpiece for the bishop's bitter rival, Joshua Nkomo.

Drying out
The idea of a major brewery sponsoring a lunch to highlight the problems of alcoholism in industry could seem slightly hypocritical, which is why Peter

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The Moscow Narodny Bank has the experience, the knowledge and the connections that are essential for East-West trade to flourish.

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John, 10/15/77

Case for investing N. Sea gains abroad

British masochism drop in our gardens every morning? If the supply of manna were expected to continue there would be no great problem. We would treat it like any other increase in income to be invested or consumed according to our individual preferences.

In other words there is only a problem about North Sea oil because it is not expected to last indefinitely. Probably more important than the physical uncertainty is the doubt about how long the real price of oil, in relation to other commodities, can be sustained at its present level. In these circumstances it is rational to invest a large part of the extra resources in a form which will yield the highest possible return when the oil reserves have gone or dwindled.

The next question is: where should we make the investment? The key to understanding is that the most profitable domestic capital investment was already being undertaken before North Sea oil arrived. Companies give top priority to the projects with the best pay-off prospects and move down the list as more resources become available. In the case of North Sea oil, we are talking about a really large increase in resources equivalent to more than the whole of existing manufacturing investment. An attempt to invest all the gain in the U.K. would mean putting resources into less and less profitable projects and ultimately investing them at a negative rate of return. Companies would not do this willingly. So the logic of the domestic investment approach is

that they should be bribed or forced to invest in valueless projects. But to talk of "a policy of overseas investment" is to exaggerate the amount of direction needed. There are two ways of increasing overseas investment. One is to repay some of the \$20bn. of medium-term official overseas debt ahead of schedule. Repaying a debt is a form of investment. The other is to liberalise (or preferably abolish) the severe

exchange controls deliberately designed to impede overseas investment. Indeed, the persistence of restrictions on financial flows to the EEC is a clear breach of the Rome Treaty for which we no longer have any shred of balance of payments justification.

The appropriate mixture between debt repayment and increased private overseas investment depends on the relative return to each—the saving of interest payments compared with the return from buying overseas securities or laying down new plant abroad. The important point is that a known and fixed debt repayment

schedule should be announced which the foreign exchange market could take into account, together with the effects of removing exchange controls.

An increase of investment flows across the exchanges will automatically put to rest official fears about sterling being so high that British non-oil products become uncompetitive. The effect of increasing overseas investment is to depress the exchange rate, compared

with what it would otherwise be, so that a sufficient current surplus is automatically earned to pay for that investment. With a higher current surplus and a given oil revenue, the non-oil payments balance will be better—and so therefore will be British net exports of normal goods and services.

Thus if we take the constraints of overseas investment, and repay some official debt, we thereby raise the competitive power of British industry as a by-product, and do much more to promote domestic investment than any crude policy of direct domestic stimulation could achieve.

INCOME FROM OIL AND GAS PRODUCTION

	(£m. at 1976 prices)	1976	1977	1978	1979	1980	1985
1. Oil and gas sold		1.0	2.7	3.9	5.3	6.0	7.5
2. Goods and services bought outside the "sector"		0.1	0.2	0.3	0.3	0.4	0.6
3. Employment income		—	0.1	0.1	0.1	0.1	0.2
4. Total royalties plus profits before tax		0.8	2.4	3.5	4.9	5.6	6.5
5. of which interest, profits and dividends due abroad		0.1	0.6	0.8	1.4	1.7	2.2
6. GNP at market prices arising within the "sector" (equals line 3, plus line 4, minus line 5)		0.7	1.9	2.6	3.7	4.0	5.5

Source: Treasury Progress Report, July 1977.

ing we are in danger of very different question of preventing sea oil giving an accidental boost to the economy is an important, one concerning pieces of paper. The question is a real one: with the increment wealth. The question is whatever happens money supply or level. The logical first to decide what the real gain in income is carried out on that it has no unanticipated side effects. How would we do as

more resources into domestic manufacturing investment when we are already on the threshold of negative returns makes very little sense. Indeed it would be much better to go on a consumption spree and get something from our oil resources rather than throw them away altogether.

With overseas investment the case is utterly different. The British North Sea windfall is a tiny fraction of world capital formation. A policy of overseas investment would not run into the problem of rapidly diminishing marginal productivity of capital, which would beset any

exchange controls deliberately designed to impede overseas investment. Indeed, the persistence of restrictions on financial flows to the EEC is a clear breach of the Rome Treaty for which we no longer have any shred of balance of payments justification.

The appropriate mixture between debt repayment and increased private overseas investment depends on the relative return to each—the saving of interest payments compared with the return from buying overseas securities or laying down new plant abroad. The important point is that a known and fixed debt repayment

These aspects provide a partial answer to the City question: "Can you see a Labour Government liberalising exchange control?" Officials, economists and analysts often operate with a caricature version of party attitudes which bear little relation to those of flesh and blood politicians. Or, more accurately, they talk about political impossibility or waiting for a change of government when they cannot steel themselves to make a positive recommendation of their own.

But candour compels me to add that the increase in net exports and domestic investment, and the lower sterling rate (for given monetary policies) following from these recommendations are a cost and not a benefit. They are costs which it is necessary to incur because of the temporary and precarious nature of the North Sea oil boom. They appear as benefits and may help to sell the programme because governments are more responsive to consumers; but on this occasion we might as well gain some advantage from the bias of the political market and of the media comment.

imprudent. For here again the oil bonus is completely dissipated in higher imports, with no increase on profitable assets other than the investment component of the envisaged rise in home output. Moreover, the option only exists if it is really true that the main reason for the 1.1m. unemployed is indeed restrictive Government fiscal and monetary policies; and that these policies were needed only because of the state of the balance of payments. If either assumption is wrong, the main effect of "reflation" will simply be to raise domestic prices with little or no benefit to output and employment.

Free float

The other two options all represent policies of not accumulating overseas assets at all, but using North Sea oil to finance an expansion of imports. This would come about automatically through a free float without any encouragement to overseas investment.

Option (d) that of refloating to which Mr. Posner seems to lean is, however, equally

Thus the rational choice is between overseas investment and increased imports and consumption. It need not be all or nothing. But without official action, such as debt repayment and/or relaxation of exchange control, only about 20 per cent. of an increase in national disposable income brought about by oil or any other windfall, would go to investment at home or overseas. I am suggesting that the proportion should be more like 50 or 60 per cent. and that the extra element should be overseas investment of one sort or another.

Letters to the Editor

and the gs Bank
Mr. Secretary,
I have published the views of the National Giro (Sept 6) regarding a merger of the National Giro and the NSB. We welcome the proposal to provide a combined account which would be available to all and believe the formal merger would be, at least in the

It is quite obvious that Mr. Clarke wishes to denigrate South Africa and the South African way of life and blames everything on the policy of separate development. A good example of his slanted point of view is his statement concerning the alleged promise by the Minister of Bantu Administration that: "No black person may ever work as a manager in South Africa." What the fact is, is that the Minister had wide-ranging and constructive discussions with a delegation from the Association of Chambers of Commerce (Assoccom) and agreed that in regard to the training of blacks for higher posts in the homeland, the departmental guidelines would be circulated shortly.

Remittance for wayleave
Sir—Every year at about this time I receive from the Post Office a letter enclosing a remittance for wayleave. This concerns some poles erected on my property which carry a telephone line.

Being a telephone subscriber, I have no objection to the poles; in a rural area a telephone is handy. Moreover, I note more in sorrow than in anger the failure of the wayleave payment to increase at anything like the rate at which telephone and postal charges have increased. What irritates me beyond measure is the utter uselessness of three 5p stamps, one of which is firmly stuck to the covering letter. At no time over the past 20 years has the individual or collective value of the stamps enabled them to be used to post a letter or a postcard by first or second-class mail. I suppose I could spend 12 1/2p motoring to the nearest post office and encash the stamps, but this seems a lot of bother for a net gain of 2 1/2p. Or, I could put two of the stamps on an envelope and send the third to my bank, thereby reducing my overdraft by 5p.

To-day's Events

Mr. Merlyn Rees, Home Secretary, in Fome to discuss Anglo-Italian plans to counter terrorism.

Mr. Margaret Thatcher, Opposition leader, due to return this morning from U.S. visit.

Bakery employers expected to meet Mr. Jim Mortimer, chairman Advisory, Conciliation and Arbitration Service (ACAS), following his talks yesterday with Bakers' Union leaders.

Transport and General Workers' Union shop stewards at Leyland Cars consider its proposed industrial relations package.

President Carter expected to give his decision on whether to accept Canadian route for transport of natural gas from Prudhoe Bay fields in Northern Alaska to U.S. market.

U.K. Atomic Energy Authority annual report.

European Parliament sits, Luxembourg.

Japanese mission continues talks in Peking on increasing long-term crude oil imports from China.

United Nations Sugar Conference continues, Geneva.

Windsale public inquiry continues, Whitehaven.

Confederation of British Industry conference on Argentina.

Principal speaker is Sr. Jose Booker Martinez De Hox, its Economy Minister.

International Plastics Exhibition opens, National Exhibition

Leeds, 11.30. Cooper Industries, Stourbridge. 12. Denbyware, Langley Mill, Nottingham, 9. Distillers, Edinburgh, 12.15. Group Investors, 2 St. Mary's, EC. 3.30. Mitchell Somers, Connaught Rooms, WC. 12. Phoenix Timber, Rainham, Essex. 12. Redland, Plasterers' Hall, 1. London Wall, EC. 12.15. Sakers International, Whitehaven. 12. Somportex, Winchester House, EC. 12.30. Stephen (John) of London, 25, Milk Street, EC. 10. Sunley (Bernard) Investment Trust, Dorchester Hotel, W. 12.30. Trustees Corporation, Winchester House, EC. 12.43. United Gas Industries, Connaught Rooms, WC. 12.

SPORT
Gulf Ryder Cup, Royal Lytham (Lancashire). Men's home internationals, Hillside (Southport); women's, Cork.

would amount to a rather than a combined equals. The NSB's accounts and £2bn.) dwarfs the 900 customers and £20bn.) We feared NSB/Giro would be staff from the management, which has any inclination to lose association with dition to conventionalount facilities, Giro unique money transfer is simple, speedy ut whose present and alue has yet to be appreciated in Britain. st concerned lest aween the NSB and e current stage of lopment should lead nster service being ar allowed to wither. e that there could be elaboration between d Giro if there were ommodating attitude rganisations. The ngements for moving a Giro account to an are inconvenient reverse direction, are to the point of discouraging their use bers. We should like and the NSB provide vice of service and counts under their and logos, with com- plication forms, stationery and sim- iles—as we under- rench CCA and Chd to do. We consider Mr. Clarke's allega- tive Giro customers medium and NSB a good basic current ewer our experience at the prospects for oration would not be without a clear state- Government policy by the necessary

Helping small businesses
From the corporate planner,
The Zocholl Group.
Sir—It is hoped that the Government's strategy to help small businesses will encompass more than special tax advantages. Having been involved in developing small businesses in the U.K. and Europe for several years the following suggestions are based on our practical experience.

A start must be made in dispensing and simplifying vast array of legal and bureaucratic constraints. Taken individually they may not be unreasonable, but the cumulative effect is to present either a tremendous psychological barrier to even starting an unproductive energy sapper to those already in business.

Over the years Central and Local Government, nationalised industries and other large firms have gradually increased their proportion of goods and services. Many of these could be supplied with at least equal efficiency by small businesses. A programme of privatisation, divestment and subcontracting from these large bodies would provide many small firms with a solid core of stable demand upon which to build dynamic new growth business.

Profitable expansion
From Mr. A. E. Sinclair.
Sir—May I be permitted to comment on the various articles published regarding industrial investment in particular, expansion in the Development Areas?

The incentives available for the investment in Development Areas could be higher than they are at present but it seems that the lack of results from the present level of incentive arises more from the confusion of "too many cooks" rather than too few incentives.

We have recently completed an expansion project for a client with the following results:

New factory and equipment	94,000
Cash benefits	97,000
	191,000
Cost to client	94,000

It is quite evident from the above figures that far from needing financial resources to expand, one actually gains financial resources by expanding.

A. E. Sinclair,
Sinclair and Rowe,
22, Jesmond Road,
Newcastle upon Tyne.

There London that re underst Eastern

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In addition to being able to undertake the normal functions of a Company Secretary, the successful applicant will have a sound knowledge of banking and of ECGD procedures. The capability to analyse commercial and banking agreements and to be familiar with export documentation and regulations is of vital importance in our business. The successful applicant will also have the ability to react to, and advise on, a wide range of complex problems normally associated with a fast expanding, international business.

Salary will be negotiable according to age, experience and qualifications but it will not be less than £12,000 per annum. The successful applicant will also receive the other benefits usually attributable to a senior position in an international company.

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Tel: 01-492 0192 and 01-493 6589.

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COMPANY NEWS + COMMENT

£1.35m. loss by Burmah at six months

IN THE first half of 1977 Burmah Oil Company incurred a pre-tax loss of £1.35m. compared with £14.96m. for the first half of 1976 and £7.99m. for the full year.

Trading profits, excluding shipping, advanced to £26.62m. (£21.99m. and £43.75m.) but there was a loss on shipping—tanker operations and from January 1 1977 liquidated natural gas transportation—of £19.95m. (£24.73m. and £37.05m.).

After a tax charge of £7.16m. (£1.5m. credit and £1.11m. charge), and extraordinary debit of £11.92m. (£10.29m. credits and £3.13m. credits) the net loss is £20.41m. (£3.46m. loss and £23.57m. profit).

Mr. Alastair Down, the chairman, reports that oil and gas activities showed improved profits compared with the first half of 1976. A slight decline in Caspian trading profits was more than offset by reduced losses in bulk products due to price increases in the early part of the year which have since been eroded by price competition and increased costs.

The bulk products market remains weak and there are no indications of any early improvement. The industrial, engineering and, in particular, the automotive companies all showed improved results. Development of the Thistle field continues and although production should commence towards the end of the year, it is not expected that any benefit will accrue before 1978.

The reduced loss on shipping operations reflects the lower level of charter hire payments resulting from the reduction in the tanker fleet by cancellations and redelivery of vessels on the expiry of charters. However, the group's total tanker tonnage will increase on delivery of two ULCCs, the first later this year and the second in 1978. In addition,

although there was a brief rally in tanker charter rates at the beginning of the year, they have since dropped to lower levels which will have a further adverse effect on the results for the second half. In the LNG programme, the LNG Aquarius successfully completed the first delivery of gas from Indonesia to Japan for the Pertamina project on August 19, 1977. The Escogas LNG project, not having received the approval of the Federal Power Commission by May 31, 1977, was formally cancelled in June by the two U.S. utility companies concerned.

The possibility of structuring a reduced project, involving one vessel, is still under consideration. Resulting from this, Burmah has exercised the right to procure the cancellation of the last two of seven vessels contracted in connection with the Pertamina project—steps having been taken whereby these vessels can be replaced by two of the three earlier buildings that had been intended to service the Escogas project.

Provision has been made for the payment of £8.7m. (£15m.) in liquidated damages, but no provision has been made for the liability to pay additional cancellation costs not exceeding £4.1m. (£7m.), the amount of which is still under negotiation.

Mr. Down tells members that conditions in the bulk products markets make it impossible to give any reliable indication of results for the full year.

No provision has been included for certain losses likely to arise from certain long-term shipping commitments.

The net interest charge includes interest receivable of £6.64m. (£4.44m.) and excludes £997,000 (£1.31m.) capitalised as part of the cost of oil and gas exploration and development and in 1976 £9.22m. applicable to the cost of the acquisition and development of Burmah Oil and Gas Company and Burmah Oil Development Inc.

The tax charge comprises company and subsidiaries' tax of £8.96m. (£1.6m. credit) and associates' tax of £193,000 (£200,000). Tax includes a charge of £392,000 (£386,000) representing tax attributable to dividends from U.K. companies. Other than this, it consists mainly of tax payable overseas. In the 1976 first half there was a credit of £3.9m. representing corporation tax relief available on setting revenue losses against chargeable capital gains.

The extraordinary charge for the half year consists mainly of liquidated damages in respect of the cancellation of liquefied natural gas carriers £8.72m. and adjustments on currency re-alignments £3.39m.

Following the request by shareholders for more information about Burmah's action against the Bank of England, Mr. Down says that a writ was issued and served on the Bank on October 6, 1976.

The chairman emphasised that the BP stock sold by the Government earlier this year was part of the Treasury holding and not part of the holding acquired by the Bank of England from Burmah.

The Chancellor of the Exchequer has described Burmah's claim as being without merit and the Bank has stated that it is of the opinion that the claim will not succeed. However, says Mr. Down, the company would not have commenced this action for the return of the BP stock unless the legal advice had come to a different conclusion both as to the merits of the claim and as to the prospects of success.

Finally, the chairman emphasised that the BP stock sold by the Government earlier this year was part of the Treasury holding and not part of the holding acquired by the Bank of England from Burmah.

See Lex



Mr. Howard Clark (left), chairman of the Executive Committee, American Express Company, Mr. Eugene Morley, president and Mr. Eugene Black, former president of the World Bank, pictured on the floor of the Stock Exchange.

HIGHLIGHTS

Half-time figures from British Leyland are as bad as expected and in particular they indicate a much higher level of borrowing over the period. Tanker losses at Burmah continue to be serious and once again they have prevented the group making an overall profit in the first six months. These figures have produced interim profits some 23 per cent. higher than the insurance side along with medical supplies and electrical wholesaling leading the way. Lex also takes a look at the market following the announcement of some exceptional trade figures. Elsewhere, BTR has maintained its strong growth trend with a first-half gain of 33 per cent. on a sales advance of 17 per cent., but the South African and Australian operations are giving some cause for concern. Overseas activities have also been a drag at Steeley, but such has been the strength of the U.K. business that profits are substantially higher.

Matthew Clark better

AFTER A rise from £1.27m. to £1.57m. for the first eight months, pre-tax profits of wine and spirit shippers and merchants and British wine makers Matthew Clark and The Glenlivet, to reduced currency losses on the De Kuyper and Nolly Prat agencies, and to the savings obtained by the closure of Rigby and Evans (Wine Shippers).

Full year earnings are shown to be up from 12.1p to 17.3p per 25p share and the dividend is lifted from 4.5p to the maximum permitted 5.19p net with a final of 3.8p.

Full year earnings are shown to be up from 12.1p to 17.3p per 25p share and the dividend is lifted from 4.5p to the maximum permitted 5.19p net with a final of 3.8p.

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AMERICAN EXPRESS

American Express Company

(Incorporated under the laws of the State of New York, United States of America)

Authorised at 31st August, 1977

Issued at 31st August, 1977

100,000,000 Shares of Common Stock par value \$0.60 each 71,469,095

The Council of The Stock Exchange has admitted the above mentioned Shares of Common Stock to the Official List. Particulars relating to the Company are available in the Extra Statistical Service and copies of the Statistical Card may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 30th September, 1977 from:

MORGAN STANLEY INTERNATIONAL
 Commercial Union Building,
 1 Undershaft, Leadenhall Street,
 London, EC3P 3HB

AMEX BANK LIMITED
 120 Moorgate,
 London, EC2P 2JY

CAZENOVE & CO.
 12 Tokenhouse Yard,
 London, EC2R 7AN

15th September, 1977.

European operations boost BTR to £13m. midway

ON SALES up by 17 per cent. to £117.7m. pre-tax profits of BTR for the six months to July 2, 1977, increased from £10.1m. to £13.2m. reflecting advances in Europe and the Americas.

Results of the recently acquired Andre Silenblac are not included in the figures but its inclusion would have increased profits by £0.4m.

The directors state that profits improved by more than 50 per cent. in Europe and the Americas but were reduced to an overall level of 33 per cent. by lower profits elsewhere.

On capital increased by the March rights issue the interim dividend is lifted from 3.25p to 4.5p net per 25p share. Total for 1976 was £1.2m. paid from record profits of £24.2m.

First half	
1977	1976
Sales	117.7
Europe	75.5
Americas	25.5
Rest of the world	16.7
Pre-tax profit	13.2
Europe	8.3
Americas	3.3
Rest of the world	1.6
Minoror debit	0.4
Tax	0.3
Minoror credit	0.6
Earnings	12.1
Minoror adjustments arise from the revaluation of certain fixed assets of S.W. incorporated in new issues and have no adverse cash flow impact.	

On the back of a 17 per cent. sales growth BTR has pushed its interim pre-tax profits up by more than a third despite setbacks in two of its major markets. In South Africa profits were nearly a quarter lower in the first six months, and the Australian operation, after losing £50m. in the first quarter, suffered a near two-thirds drop in the first half profits. However, American profits rose by 47 per cent. and European profits are up by 61 per cent. Despite the slowdown in the growth of the world economy BTR still seems to be making remarkably good progress although historical comparisons are difficult given the group's aggressive acquisition policy over the last few years. In the second half there should be a first-time contribution from Andre Silenblac—worth over £1m. pre-tax in a full year—and 1977 profits of £30m. plus look likely. Given that BTR was earning less than £5m. only five years ago its recent

growth record has been impressive. But at 270p the shares yield 3.9 per cent. on a price-earnings multiple of around 10 which is hardly a glamour rating.

Better trend at Richards Wallington

ON TURNOVER of £15.54m. against £14.03m. Richards and Wallington Industries, the crane hire and construction equipment group, reports first half 1977 pre-tax profits of £1.01m. compared with £1.81m. for all 1976, of which £1.02m. was made in the first six months.

After tax, down sharply from £337,000 to £161,000 because certain deferred tax is no longer provided for, net profit comes out at £231,000 against £1,250,000 for the whole of 1976 and £483,000 for the first half.

Mr. Roy Richards, the chairman, says that from current trends and management information available in the first two months of the second half he is confident that full year results will show a considerable improvement, with a return to the previous levels.

The interim dividend is 1.4823p per 10p share (1.40p). Last year's total was 4.04p.

First half results reflect the recovery from the difficulties experienced during the latter months of 1976, which spilled over into the early weeks of the current year. The problems suffered in the London and merchanting companies have now been reversed after re-organisation says Mr. Richards.

Richards and Wallington had a particularly difficult time in the second half of last year but now

appears to be recovering. Demand net per £1 share—last year's equivalent total was 3.9450p, paid for by the company, would not have commenced this action for the return of the BP stock unless the legal advice had come to a different conclusion both as to the merits of the claim and as to the prospects of success.

Following the request by shareholders for more information about Burmah's action against the Bank of England, Mr. Down says that a writ was issued and served on the Bank on October 6, 1976.

See Lex

Progress by Robert McBride

MANUFACTURERS OF domestic bleaches, detergents, and toiletries Robert McBride (Middleton) reports turnover up from £3.30m. to £4.46m. for the first half of 1977, and an advance in pre-tax profits from £608,821 to £783,181.

The directors say they are satisfied with the result and look forward to another record year. Profits for all 1976 came to £1,321m.

After tax of £414,300 (£322,000) first-half earnings are shown to be up from 14.4p to 18.56p per 10p share and the interim dividend is lifted from 2.1943p to 2.4509p net. Last year's final was also 2.1943p.

The interim dividend is stepped up from an equivalent 2.30p after a one-for-four scrip issue to 3.127p

Danish Bacon advances to £1.17m. so far

Profits for the 32 weeks to August 12, 1977, of Danish Bacon expanded to £1,172,000 compared with £802,000, subject to tax of £609,000 against £417,000. Turnover advanced by £10.14m. to £125.31m.

The interim dividend is stepped up from an equivalent 2.30p after a one-for-four scrip issue to 3.127p

See Back Page and Lex

W.F.

THE WHOLESALE FITTINGS COMPANY LIMITED

Electrical Distributors

"... The Company has completed an excellent year in which, once again, record turnover and profits were achieved. Subject only to circumstances beyond our control, I am confident that the Company will continue to progress..."

Mr. D. S. Rose, Chairman.

SUMMARY OF RESULTS
 For the year ended 29th April, 1977

1977		1976
TURNOVER —net sales to customers	£12,905,571	£10,300,817
PROFIT before taxation	£1,284,347	£1,028,862
DIVIDENDS net per 20p share		
Interim paid	1.815p	1.650p
Final proposed	3.456p	3.069p
EARNINGS per 20p share	17.1p	13.7p

The Wholesale Fittings Co Ltd
 313-333 Rainham Road South, Dagenham, Essex, RM10 8SX

AMERICAN EXPRESS

Thomas Tilling ahead by 2% to £22m so far

1977 pre-tax profits per cent to £22m, are of the Thomas Tilling sales ahead from £388.7m. Profits for the first 6 months on sales of £21.9m.

If earnings are shown to 21 per cent from an interim dividend of 5.5p per share, the directors are expected to pay a total of 31.9p (3.48p).

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Other indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's time-table.

Company	Date
Accor - Applied Group, Audio-Graphic, Biharcad Engineering, Hart and Kingston, Booker, McConnell, Brydon, British Vita, William Collins, Coda International, Dickinson, Robinson Group, Hall Engineering, Home Cinema, Home Counties Newspapers, Lead Industries, Lee Service Group, Liverpool Daily Post and Echo, London and Liverpool Trust, Lyons, Magnolia Group, Rolock, Royal Dutch Petroleum, Schroders, Sharns, Ware, Shell Transport and Trading, Stone-Platt Industries, Supra Group, Watts Rakes and Bearings, Whitman's Engineers, Williams and James (Engineers), Thomas-Jones Properties, Free State, Grafton Arms, Galloway, Gifford, Brindley, RTV, President Brand Gold Mining, President Steyn Gold Mining, J. Saville Gordon, Eastonhouse Fisheries, Trafford Park Estates, Western Holdings.	Sept. 20
Bank of Scotland, Delta Metal, Carlton Engineering, Hosking and Horton, Law Ltd, Merth (Albert), Perry (Harold), Plantation Holdings, Rowan and Bodea, Toldis Minerals, Wharman Howe Ansel.	Sept. 21
Consolidated Plantations, F. and C. Eurochem, Henshall (W.), (Addendum), Hunt and Haveron (Middlesex) Fisheries, Scholey (George E.).	Sept. 22

The interim dividend is maintained at 2p net per 25p share. Last year's final was 3.9774p and profit for the whole of 1976 was £393,688. Dividend waived for the half year amounted to £33,000. Tax took £231,000 (£224,000) and the attributable amount emerged as £211,778 (£205,778).

The company manufactures and installs heating and air conditioning and lifts.

Setback at British Leyland

INCLUDING direct exports of £445m, against £438m, sales of British Leyland advanced from £1.17bn. to £1.33bn. for the six months to July 2 1977 but reflecting the prolonged toolmakers strike earlier this year, pre-tax profits dropped from £53.5m. to £12.6m. Vehicle unit sales came to 412,000 compared with 437,000.

Sales	1977	1976
U.K.	1,225	1,172
Overseas	62	65
Depreciation, etc.	35.8	35.6
Trading profit	41.4	34.4
Net interest payable	28.8	17.6
Profit before tax	12.6	16.8
Taxation	7.3	13.1
Net profit	5.3	4.3
To shareholders	1.2	1.5
Leaving	4.1	2.8

Peak £0.9m. at Miln Marsters

FOR THE SECOND year in succession, Miln Marsters Group reports record results with pre-tax profits ahead from £572,400 to £594,740 for the 12 months to May 31, 1977, on turnover up £1.65m. to £7.32m.

In March, when reporting a reduced first half loss from £242,170 to £125,026, the directors said that very dry conditions in 1976 had affected the volume of supplies because crop yields were lower, but even so, anticipated a satisfactory trading year.

The directors hope that this trend can continue, but point out that in such a volatile business as agricultural seeds, both good and bad weather conditions can affect profits.

The company is launching, in 1978, three new spring barley varieties of its own breeding, which should contribute to profits in 1978/79, say the directors.

Earnings per 50p share are shown to have risen from 19.59p to 31.44p. A final dividend of 5.2405p steps up the total to 7.7405p (5.9899p) net, costing £109,150 (£97,725).

After tax of £481,856 (£296,242), net profits amounted to £442,894 (£276,056).

Friedland Doggart expands

AN ADVANCE in profit from £734,000 to £872,000, subject to tax of £438,000, against £400,000, is shown by Friedland Doggart Group for the 24 weeks to June 19, 1977.

The directors anticipate that the results for the second half will follow the pattern of the year so far. The fulltime profit for 1976 was a record £1.68m.

The net interim dividend is raised to 1.2p (1.08p) per 25p share. Last year's final was 1.71p. The Board proposes to pay a further interim of 1.2p for the 52 weeks to January 1, 1978, on November 9.

After a transfer to reserve of £30,000 (£30,000) against inflation, attributable profit for the first half came out at £308,000 (£274,000).

The company manufactures domestic and industrial sound signalling equipment, injection and compression mouldings, and plastic toys.

Halfway fall at Tioxide

For the first half of 1977, sales of Tioxide Group were ahead by £10.2m. to £77.81m. while pre-tax profits declined from £10.58m. to £10.51m.

The directors say that despite reports taxable profits more than halved from £126,221 to £53,814 for the six months to July 2, 1977, on turnover down from £1.32m. to £1.25m.

The net interim dividend is 0.44p (0.45p) per 10p share - payments totalled 1.24p last year on turnover ahead to £5.7m.

After tax of £29,023 (£65,835) net profits emerged lower at £26,791 (£60,586).

Spong more than halved at six months

Hardware manufacturers and wireworkers Spong and Co. reports taxable profits more than halved from £126,221 to £53,814 for the six months to July 2, 1977, on turnover down from £1.32m. to £1.25m.

The net interim dividend is 0.44p (0.45p) per 10p share - payments totalled 1.24p last year on turnover ahead to £5.7m.

After tax of £29,023 (£65,835) net profits emerged lower at £26,791 (£60,586).

Montfort 50% ahead at midterm

Reporting a 50 per cent increase in pre-tax profits to £217,430 for the first half of 1977, Mr. M. I. Meakin, the chairman of Montfort (Knitting Mills) says that although the retail trade has been somewhat depressed during the spring, group factories continue to be well booked and progress is expected to be maintained throughout the year.

The interim dividend is raised from 0.875p to 0.975p net per 25p share costing £22,053. Last year's total was 3.125p paid from pre-tax profits of £323,512.

After tax of £158,856 (£96,242), net profits amounted to £142,894 (£86,056).

Biddle up slightly in first half

First half 1977 pre-tax profit of Biddle Holdings was up slightly from £431,000 to £444,000 on turnover ahead to £5.7m. Against £4.88m. Orders received to date are up on last year, the profit figure for the first 7 months has been restated.

ISSUE NEWS

London listed American

Flight at months

strong trading in all Huntleigh Group pre-tax profit from £458,000 in the first 7 months ahead at £2.33m.

John Hunt, the chairman, & his forecast of growth, states that group resources are strong and directors expect that the provided in the first half maintained in the second 25. For 1976 profit was

£5 per 10p share are £5.5p (5.3p) and the interim dividend is lifted to 5p. Last year payments 4.1p.

First six months tax 5,000 (£211,000) leaving balance of £293,000. There was an extra loss of £271,000 (nil) due to the start up of an company.

electronics and medical Edicron, traded well and used its position in the components field. The acquisition, Setpoint, has profitably and prospects used long-term expansion. The chairman says, Image Technology is now an increasing contribution group profit, as is Flowe and both these companies expanding in overseas

engineering, Hymatic, after a start, is recovering as a strong order book. An improvement is anticipated in the second half, Sir

figures for the first 7 months has been restated.

مكزامن الاحصل

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ammonia nitric acid: ammonium nitrate: calcium ammonium nitrate
magnesium ammonium nitrate: calcium nitrate: urea sulphuric acid
compound fertilizers: phosphoric acid: ammonium phosphate
superphosphate: triple superphosphate: phenol: melamine: cyclohexanone
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pyrolysis gasoline: C4-fraction: benzene: cyclohexane: butadiene
high-density polyethylene: low-density polyethylene: EPDM-rubber
TP-rubber: AS-plastics: ABS: vinyl chloride: polyvinyl chloride
polypropylene: methanol: formaldehyde: benzoic acid: benzaldehyde
d,l-phenyl glycine: acetyl caprolactam: benzyl alcohol
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And many of them are well-known in households outside the UK!

In fact Reckitt & Colman manufactures and markets a massive range of leading brands across the world: in the USA and Canada, Australia and New Zealand; France, Germany and other European countries; in Africa, South America, India and the other leading countries of Asia.

In all, our products are manufactured in over 40 countries and sold in over 100. With an annual value of over £500 million.

It's not surprising therefore that the interim results just released show that the overseas activities of the group accounted for 87.1% of our profits over the first 6 months of 1977.

Over the same period sales worldwide rose by 22.9% to £278.57 million.

Operating profit rose by 18.3% to £28.21 million.

Earnings per share increased by 15.1% before taking exchange differences into account.

An interim dividend of 4.66p per ordinary share was announced - an increase of 10% over last year, to be paid on 6th January 1978.

The steady growth of the group was maintained despite adverse conditions in the UK and Europe where the consumer's purse has continued to shrink as a result of inflation, and despite difficulties in other overseas markets.

Exports from the UK were particularly pleasing. Sales rose by 49.5% to £17.95 million and the operating profit on these sales was £2.88 million, an increase of 87%.

It is a measure of our achievement that sales and profits increased in all of our major territories, and that we were able to show an improvement on last year's exceptional results.

This week we are sending our 40,000 share-

holders the Chairman's interim report. If you would like a copy please write to The Registrar, Reckitt & Colman Limited, P.O. Box 22, Hull HU1 3NY. Telephone: 0482-25942.

	1st half 1977 £ million	1st half 1976 £ million	full year 1976 £ million
Sales to customers	278.57	226.66	484.25
Trading profit	30.39	25.68	54.97
Interest payable less other income	2.18	1.83	3.54
Operating profit	28.21	23.85	51.43
Exchange differences (1977 deduct, 1976 add)	(0.76)	2.85	4.22
Profit before tax	27.45	26.70	55.65
Tax on profit	13.36	11.19	24.41
Profit after tax	14.09	15.51	31.24
Attributable to minority interests	1.43	1.59	2.97
Preference dividends	12.46	13.92	28.27
Earnings attributable to ordinary shareholders	0.68	0.68	0.16
Extraordinary items	12.38	13.84	28.11
Profit available for distribution	12.38	15.13	29.13
Earnings per share:			
before exchange differences	21.4p	18.6p	39.6p
after exchange differences	20.2p	22.3p	46.2p

Reckitt & Colman

SECOND COMPANY

HOWDEN

Chairman Sir Norman Elliott CBE reports:

- Further increase in export business
- Dividend increased
- Order book sound
- Liquidity position good

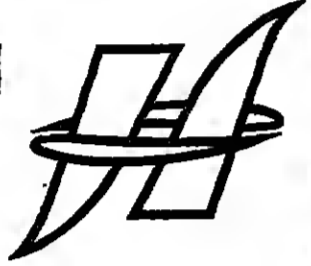
Summary of results for year ended 30 April, 1977 and five year review:

	1977	1976	1975	1974	1973
Turnover	85,313	86,372	67,363	50,621	43,670
Profit before taxation	4,646	4,852	3,891	3,501	2,451
Profit before taxation per 25p share	15.5p	17.0p	14.8p	13.2p	10.8p
Earnings per 25p share	5.0p	6.2p	6.0p	6.1p	5.0p
Ordinary Dividend per 25p share (gross)	5.548p	5.042p	4.583p	4.167p	3.33p

For comparison adjustment has been made for the capitalization issue in 1977.

Copies of the 1977 Annual Report and Accounts can be obtained from the Secretary, Howden Group Limited, 195 Scotland Street, Glasgow G5 8PU.

HOWDEN GROUP LIMITED



THE COMPANY CAR

A half day Seminar on 29th September, 1977, in London to consider the question of Selection, Financing and the Tax Effects.

For further details please contact Mrs. Joyce Hawkins: 01-868 4422

Organised by Associated Business Promoters

Bestobell ahead midterm U.K. side lifts Steetley & recovery gets under way to £12.9m at halfway

ON SALES up £2.35m. to £40.69m. pre-tax profits of Bestobell, the international engineering and chemical products group, increased from £2.58m. to £2.73m. for the first half of 1977.

Sir Humphrey Browne, the chairman, says that second half profits should show an improvement on the first six months. The upward trend in the U.K. and improvement in South Africa are encouraging, he adds, although overseas companies elsewhere are under some pressure owing to local trading conditions.

The U.K. and European companies increased both sales and profits for the first half, reports the chairman. The overseas companies recovered from the very low level of July-December 1976, but were still well beneath the corresponding 1976 period.

A geographical analysis of pre-tax profits shows 37 per cent in the U.K. and 47 per cent in Europe for the first half of 1977, compared with 44 per cent and 56 per cent respectively for the first six months of 1976.

The interim dividend is lifted to 3.60561p (3.22817p) net and the maximum permitted total is forecast payments totalled 3.44759p for 1976. An additional 0.08029 per 25p share, due to the reduction in ACT, is to be paid out of the net profit for last year.

First half 1977 1976 1975 1974 1973 Sales 40,690 38,340 27,810 20,621 13,670 Pre-tax profit 2,730 2,580 1,950 1,450 1,000 Taxation 1,371 1,214 1,102 1,012 770 Net profit 1,359 1,366 848 438 930

The group's overseas companies' financial year has been made continuous with the U.K. companies so that all results for the group are consolidated on a calendar year basis. Thus for the first time the half year's results for the overseas companies relate to January-June (instead of July-December). The 1976 comparative figures have been restated to show the sales and net profit for the calendar year 1976 and to reflect other prior year adjustments.

These adjustments have brought the pre-tax profit for the year 1976 down from £3.5m. to £4.6m. This is due in the main to the overseas companies' results for July to December 1976 having been very poor, especially in South Africa, adds Sir Humphrey.

● comment

The improvement in first half profits at Bestobell only amounts to 5 per cent but recovery is under way. The order of Bestobell's recent fortunes was in the second half of 1976 since when there has been a revival at home and abroad. The most marked case is in South Africa where the second half of 1976 showed a loss; conditions there became a lot more difficult and it became necessary to cut overheads and re-direct the marketing. As a

result the first half has turned round by £2m, compared to the previous six months. In the U.K. it has been easier going and the proportion of domestic profits is up from 44 per cent to 53 per cent. For the full year the pre-tax profits could be in the region of £6m, making for a prospective p/e at 15p of 7.1. The maximum yield is 9.5 per cent.

Advance by Berwick Timpo

TOYS GROUP Berwick Timpo reports pre-tax profits up from £248,257 to £262,809 for the first half of 1977, on sales of £3.25m. compared with £3.65m.

Mr. J. D. Oakley, the chairman, says the inclusion in sales figures of Harburt's Plastine (acquired last September)—which is less seasonal than the other companies—and a higher rate of despatches to customers produced the 45 per cent increase. The figure should not be taken as an indication of the percentage increase for the year as a whole, which will reflect a more balanced trading pattern. With the general downturn in consumer spending, this year is likely to prove somewhat disappointing for the toy industry, members are warned. The directors are confident, however, that the group is strongly placed to take full advantage of the upsurge in consumer spending widely predicted for next year.

First half earnings are shown at 3.5p (3.02p) per 25p share and the first interim dividend is lifted from 0.715p to 0.8p net. Last year's total was £281.2p from stated earnings of 9.2p. Pre-tax profits for the year came to £995,406.

First half earnings are shown at 3.5p (3.02p) per 25p share and the first interim dividend is lifted from 0.715p to 0.8p net. Last year's total was £281.2p from stated earnings of 9.2p. Pre-tax profits for the year came to £995,406.

Mr. Oakley says that satisfactory progress has been made on the two major developments which took place last year. Harburt's has made a welcome return, to profitability, and the improvements there will show progressively greater returns in the future. Fair Toys has also made a good start with the new ranges of games and road racing sets acquired under the licensing arrangement with Aurora Products Corporation of the U.S.

Second city slips to £0.9m.

Turnover for the year to April 30, 1977, at Second City Properties declined from £14.5m. to £14.05m. and pre-tax profits were down

from £1.01m. to £0.9m. after £460,955 (£456,533) for the first half. As intimated at the time of the one-for-eight rights issue in July 1976 the final dividend is 1.18015p (adjusting for the 34 per cent pre-tax rate) for a 1.72615p (1.137p) total on the increased capital. Basic earnings are shown at 5.57p (4.54p) per 10p share, and fully diluted at 3.33p (4.05p).

Net assets are given at 51.10p (47.24p) per share after taking into account 1,594,511 shares issued as a result of the rights issue and a transfer of £520,489 from deferred tax account.

	1976-77	1975-76
Turnover	14,050,000	14,500,000
Pre-tax profit	470,257	1,010,000
Taxation	181,626	477,250
Net profit	288,631	532,750
Dividend	186,172	150,677
Retained	102,459	382,073

Sale Tilney forecasts big rise

ON TURNOVER up from £19.57m. to £20.12m. pre-tax profits of Sale Tilney and Co. for the six months to May 31, 1977, rose to £588,000, compared with £472,000.

Present indications are that the profit for the full year will show a significant increase over the £1.29m. for 1976-77.

The interim dividend is lifted to 4.5p net per 25p share on increased capital against 2.37p—a total of 10.2375p has already been forecast for the year which would compare with 4.7337p.

Ursurge by Deundi to £0.47m.

Due to a record tea crop and record prices, turnover of Deundi Holdings more than doubled from £476,941 to £1,113,373 for 1976 and pre-tax profits show an upsurge from £45,430 to £468,510. Stated earnings came to 49.74p (£23p) per 5p share.

The directors are applying for permission to declare a final dividend of 1.625p net making a total of 3.25p (nil). The interim dividend declared in March will be paid on October 31 following the receipt of funds from Bangladesh. The date of the final payment will also depend on the receipt of funds.

	1976	1975
Turnover	1,113,373	476,941
Pre-tax profit	468,510	45,430
Tax	210,113	4,326
Minority share	1,949	2,182
Extraordinary credits	24,385	11,226
Retained	260,500	27,500

FIRST HALF 1977 pre-tax profits made in Australia and in western Europe satisfactory profits were achieved in most operations, the directors say that second half results should be similar to those for the first. For all 1976 sales came to £210.77m. and profits were £19.95m.

The interim dividend is raised from 2.5p to 2.495715p per 25p share and an additional amount of 0.083284p will also be paid for 1976 on the reduction of ACT. Last year's final payment was 3.575p.

	1977	1976
External sales	14,700	14,700
Trading surplus	1,200	1,200
Depreciation	1,200	1,200
Net interest payable	1,200	1,200
Profit before tax	1,200	1,200
Taxation	1,200	1,200
Dividend	1,200	1,200
Attributable	1,200	1,200
Interim dividend	1,200	1,200
Retained	1,200	1,200

Capital expenditure in the six months amounted to £5.4m. of which £4.6m. arose in the U.K.

● comment

The U.K. business (including exports) continues to fuel the growth at Steetley, with exports of refractory bricks and chemicals leading the way. This performance has more than offset the downturn in overseas business which has been particularly severe in France due to the poor state of the construction industry. Canada and Australia have also continued to be weak markets but economies in the Australian organisation have produced a 41 per cent improvement in profitability. In the second half the company is expecting consolidation rather than growth, given the sluggishness of world economies and continuing recession in the steel industry. Still, even a standstill in the second half would produce profits of £25m—a 30 per cent improvement on last year—and next year the £31m. currently being spent on capital investment should start producing further benefits. There may yet be some interest in the shares, which at 248p show a prospective p/e of 8.5, even though the 4 per cent yield is already pretty low.

Overseas operations' results were at a lower level than in the second half of 1976. The Canadian distribution and quarrying businesses were affected by seasonal factors as well as the continuing low level of economic activity. Some progress continues to be

made in Australia and in western Europe satisfactory profits were achieved in most operations, the directors say that second half results should be similar to those for the first. For all 1976 sales came to £210.77m. and profits were £19.95m.

Inch Kenneth

Gross profit proceeds of sale of Inch Kenneth Kellogg Rubber for the first six months of 1977 were

MONEY MARKET Signal on interest rates

Bank of England Minimum Lending Rate 6 1/2 per cent (since September 3, 1977)

A general decline in interest rates yesterday prompted the Bank of England to express its wish for continued moderation in the downward trend. The message came in the form of large seven-day loans made by the authorities to four or five houses—to alleviate a shortage in day-to-day credit. Whether the official wish is to be a temporary halt in the fall of interest rates, or whether the market takes it as moderation sales. On the other hand, Govern-

ment disbursements are revenue transfers to the cheque by a moderate rate of Treasury bills falling to 5 1/2 per cent from 5 3/4 per cent. The market was faced with run down bank balances and a slight uptake in Treasury bills. This was in addition to the repayment of moderate loans made by the authorities overnight and over seven days. There was also a number of local authority bills in the market for official hands and of some 'plugged' bills in the market taking it as moderation sales. On the other hand, Govern-

	Sterling	Local	Local	Foreign	Discount	Treasury	High	Fin
Sept. 14 1977	Central Bank	Authority	Authority	Deposits	Rate	Bills	Bank	Min
Overnight	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
7 days notice	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
14 days notice	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
28 days notice	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
3 months	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
6 months	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
12 months	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2

The 1977 crop is up on last year's to date, say the directors, but prices at all market centres have declined considerably from the peak levels reached earlier this year. The world tea crop figures show a very material increase over 1976, they add.

Redland Profits Increased by 30% to £34.16m.

"From a U.K. base of excellence, we have been able confidently to engage in joint ventures overseas founded upon our practical skills and experience. If I were asked to identify Redland's greatest single strength today, I should point to our achievement in working harmoniously with outstanding partners in twenty-five countries."

Colin Corness: Chairman and Chief Executive

Redland

Construction materials and services in 25 countries

Copies of the Annual Report can be obtained from the Secretary, Redland Limited, Reigate, Surrey

DOY THAT THE IS AS M DAILY LIFE EAT BRIT



This announcement appears as a matter of record only.

digital

\$250,000,000

Digital Equipment Corporation

4 1/2% Convertible Subordinated Debentures, due December 15, 2002
Convertible into Common Stock at \$57 per share

Lehman Brothers Incorporated

Bache Halsey Stuart Shields Incorporated	The First Boston Corporation
Blyth Eastman Dillon & Co. Incorporated	Dillon, Read & Co. Inc. Securities Corporation
Drexel Burnham Lambert Incorporated	Goldman, Sachs & Co.
Hornblower, Weeks, Noyes & Trask Incorporated	E. F. Hutton & Company Inc.
Kidder, Peabody & Co. Incorporated	Kuhn Loeb & Co. Incorporated
Loeb Rhoades & Co. Inc.	Merrill Lynch, Pierce, Fenner & Smith Incorporated
Paine, Webber, Jackson & Curtis Incorporated	Reynolds Securities Inc.
Smith Barney, Harris Upham & Co. Incorporated	Warburg Paribas Becker Incorporated
Wertheim & Co., Inc. Incorporated	White, Weld & Co. Incorporated
L. F. Rothschild, Unterberg, Towbin	Dean Witter & Co. Incorporated
Banca Commerciale Italiana	Banque Worms
Vereins- und Westbank Aktiengesellschaft	Pictet International Limited
	Hambros Bank Limited

September, 1977

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Financial Times Thursday September 15 1977
The world's major stock markets...
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THE SECOND ALLIANCE TRUST COMPANY LIMITED

The following is the Statement by the Chairman, Mr. David F. McCurrach, circulated with the Annual Report for the year to 31st July 1977.

RESULTS

Earnings for the year, at 5.80p, show a satisfactory rise of 18% and are substantially in excess of the 5.70p made with the Interim Statement in March. This has been due mainly to increases in dividends, to a lesser extent in overseas dividends and to benefits to income from the fall in the rate of interest. A further increase in earnings is expected in the current year, assuming no major change in the rate of interest. Following the rise in the U.K. equity market in the last year, there would be some penalty in reinvesting our gilts and shorter term deposits in U.K. equities at current dividend yields. Our current earnings might fall below 5.75p. We would however, in any event expect dividend yields to restore and further increase our earnings. In order to reduce a disparity between interim and final dividends it is the Directors' intention again to raise the interim dividend for 1977/78 payable in April from 1.65p to 2.00p.

VALUATION

During the world's major stock markets, substantial fluctuations in the last 12 months have occurred in the U.K. The rise of 23% in the F.T.A. All-Share Index masks an initial fall of over 20% in the first half of the year. The Government Securities Index has also benefited, by almost 10% and, of course, this gain is largely free of capital gains tax. Equity markets elsewhere have been desultory, the U.S., Japan and Germany all moving within a 10% range throughout the year. We have added for the third successive year to our U.K. equity proportion at the expense of our holdings and, in consequence of the larger U.K. participation, our net asset value has risen by 12%. A buoyant U.K. stock market in the first half of August, together with a sharp fall in the investment-premium has further raised our total U.K. proportion to about 65%, higher than at any time since 1980.

PROSPECTS

Outlook for the economies of the world at large is not propitious. The long-sought stimulus of a modest recovery has been seen only in the United States and there it is quite mature and now runs a large oil-fed balance of payments deficit and a weak dollar. Elsewhere, Germany is held back by inflation and soft export markets while Japan faces unfamiliar low growth rates at a time when there is need for internal economic restructuring and growing world resistance to its export-led expansion. The underdeveloped countries are suffering both from oil costs and weak commodity prices. Weaknesses are reflected in hesitant equity markets, thin at best in Germany, brittle and highly volatile in Japan, and oil but undermined in the United States by the decimation of its retail security structure which has proceeded relentlessly since the first big fall in 1970. The importance of the U.S. can hardly be exaggerated. The vigour of U.S. equities in the 1950s and 1960s depended in part on a vast advisory and selling apparatus aimed at the private investor. The breakdown of 1970 started a sweeping contraction of a doubtless bloated apparatus. As the private investor fled before succeeding crises, this process gained momentum and has been accelerated by the abolition of fixed commissions and, possibly soon, to free trading in the established markets. This has severely damaged the retail selling apparatus leaving the financially weakened and more and more at the mercy of the stock-like propensities of the institutions. This by no means rules out good investment opportunities; very much the contrary so the concentration of institutions on fashionable stocks and investment theories produces more and more investment opportunities in solid growing companies of which we should take more advantage than the Surrender Rule, to which I refer below, so much ties our hands. Adjusted to our U.S. portfolio is up 7% over the year and has handsomely beaten the S. & P. Index 12%.

contrast, our own British markets seem comparatively healthy and robust. And they have the potential, even without a formal Phase 3 wage agreement, always provided that the Government hold a firm line on the one hand on public pay settlements and cash limits, and on the other on the tax and other influences which will bear on private bargaining. With a dramatically improving rate of payments strengthening the pound and with simultaneously falling rates of inflation over the next months, there is room for nervous hope. It is we have not in these conditions made more adjustments to our overseas portfolios or increased our U.K. equities further (they stood at 51.3% at 31st July 1977 against 44% last year, and our overseas return was 40%) is largely due to the currency inhibitions of the Currency Premium Surrender, an early levy which simply penalises good husbandry whether in our own or the national interest without gain to the nation's assets. The case for its immediate abolition was admirably presented in a debate of Lords on 14th July which deserved greater publicity than it received at the time.

26th August 1977.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total dividend for year	Total last year
Alhany Inv.	0.4	Oct. 29	0.28	0.68	1.01
Alkerm Shipping	0.29	Nov. 14	0.28	0.57	0.26
Aust. and Intl. Trust	2.7	Oct. 25	2.4	5.1	2.4
Berwick Timpo	0.8	Dec. 1	0.72	1.52	2.68
Bleddie Hldgs	3.61	Oct. 7	3.23	6.84	8.45
BTR	4.02	Nov. 25	3.53	7.55	6.3
Change Wares	Nil	—	2.17	2.17	3.07
Matthew Clark	3.69	—	3.25	6.94	4.85
Danish Bacon	3.13	Jan. 3	2.8	5.93	3.83
Elbar Indl.	3.37	Nov. 3	3.05	6.42	6.97
Fairbairn Lawson	1.84	Oct. 14	0.8	2.64	0.85
James Fisher	0.75	Oct. 25	0.68	1.43	1.27
Friedland Doggart	1.2	—	1.00	2.2	2.8
T. C. Harrison	1.34	Dec. 30	1.2	2.54	3.86
Huntleigh	1.17	—	1.03	2.2	2.11
Leysland Palm	1.95	Oct. 3	1.8	3.75	3.31
Roit, McBride	2.45	Nov. 7	2.19	4.64	4.29
Roit, Musters	5.25	Nov. 10	4.84	10.09	6.84
Wootford (Knitting)	0.86	Oct. 22	0.88	1.74	2.13
Reed Consol. Inds.	4.5	—	4.3	8.8	—
Richards Wellington Int.	1.48	Oct. 24	1.48	2.96	4.04
Sale Tiney	4.07	Nov. 30	3.7	7.77	4.73
Schlesinger Intl.	2.5	Oct. 21	1.5	4.0	—
Schlesinger Intl.	1.5	Oct. 21	1.5	3.0	—
Second City Props.	1.18	Oct. 29	0.68	1.86	1.14
Spong and Co.	0.44	Oct. 25	0.43	0.87	1.24
Steedley	2.67	Oct. 2	2.3	4.97	4.08
Steedley Ruled	2.4	Oct. 10	2.0	4.4	3.2
Theo. Tilling	1.5	Nov. 24	1.82	3.32	2.40
Walker Goldsmith	1.13	Nov. 4	1.1	2.23	1.91

Fairbairn Lawson up by 67% in first half

ENGINEERS, Fairbairn Lawson reports a 67% per cent. increase in turnover in the first half of 1977, from £140,000 to £231,000 on a 12.5 per cent. increase in turnover to £8.8m.

Sir John Lawson, the chairman, states that the profit is comfortably ahead of target while sales are in line with budget. "The results are consistent with the steady improvement in the company's performance over the year."

Stated earnings per 25p share, adjusted for ED 19, are 6.34p, compared with 6.22p. The interim dividend, in order to reduce disparity is lifted from an equivalent 0.8p to 1p. An additional dividend of 0.01888p is also declared for 1976 on the reduction in ACT. Total for 1976 was an equivalent 2.08p paid from record profits of £10m.

Engineering sales continue to account for approximately 70 per cent. of the group's revenues. Sales in the capital goods segment were up to expectations; earnings were well ahead of estimates but demand was not sustained and the backlog of orders has fallen. Sales in the non-capital goods segment were depressed and together with earnings fell short of budget, Sir John says. "We have maintained our increased investment in product development, while continuing to charge this fully as current expenditure, and are beginning to see the first signs of benefit from this."

On the progress of the office furniture division, the chairman reports that the recovery of Flexiform continued and sales and profits were ahead of target. A substantial investment in the group's manufacturing facilities came on stream during the period and coincided with a build-up in demand. The group is continuing to invest in this operation with the confident expectation that profits will reach satisfactory levels. It is stated.

Inchcape expects growth in U.K. and overseas

DESPITE their continually changing conditions both at home and overseas are generally conducive to the continued growth and prosperity of Inchcape and Company, but it would be unrealistic to expect another leap forward as spectacular as that seen for 1976-77, Lord Inchcape, told yesterday's AGM.

Commenting on the group's entry to the Euro Bond Market, he said that the US\$35m. issue was made for three main reasons. One of the objectives, namely to place the company in a position to take advantage of overseas expansion opportunities, had not yet been accomplished, he said.

However, the directors have examined, in some detail, a number of investment and acquisition opportunities and they have no doubt that, before very long, something of interest to them would materialise.

The other two aims had been achieved. These were to enable the company to repay, with some interest saving, short-term foreign currency borrowings and to make the company's name better known in the Western Europe and U.S. money markets.

The chairman noted that even if the exchange rates as at September 14, 1977, had been used in producing last year's accounts which showed pre-tax profit of 98 per cent. on £73.25m, the effect on the figures would not have been material.

£2.64m. from Walker Goldsmith

MULTIPLE RETAIL jewellers James Walker Goldsmith and Silversmith lifted turnover from £12.33m to £14.57m, in the year to April 30, 1977, and increased pre-tax profits from £2,050,000 to £2,640,000, against £2,540,000 for the first half of 1976-77. Full-year earnings were shown to have jumped from 1.74p to 2.73p per 25p share and the dividend total is raised from 1.082p to 1.3131p net with a final of 1.1131p.

Profits were struck after depreciation of £156,018 (£148,021).

Elbar jumps to £0.95m.

INCLUDING John Prys (Holdings), acquired on January 10, 1977, turnover of Elbar Industrial expanded from £7.55m to £22.31m for the first half of 1977 and pre-tax profits jumped from £302,000 to £251,200.

The directors say the results reflect a period when industrial motor vehicles, and industrial engines were in relatively free supply, but this will not necessarily be the position during the second half.

First-half earnings per 50p share are shown to be up from 10.52p to 18.44p, on capital increased by the December 1976 one-for-three rights issue. The interim dividend is held at 3.3p net.

Optimism at Peter Black

In his annual statement, Mr. Peter Black, the chairman of Peter Black Holdings, tells members that he continues to remain optimistic about the company's prospects, against a background of economic uncertainty.

As reported on August 4, pre-tax profits for the year to April 30, 1977 climbed from £1,02m, to a record £1,40m, on sales ahead at £17.57m (£12.71m.).

He says that substantial growth has again been achieved in the footwear division, where the company has an increasing share of the traditional slipper market. He believes the company's policy of developing new products away from the volatile fashion scene is the correct course. Order books are very good and Mr. Black believes that this expansion will continue.

The basic division has had an

Gill & Duffus goes into chemicals

Gill and Duffus has set up an international chemical division of its U.S. offshoot, Gill and Duffus Inc.

The new chemical division, which initially will have its principal offices in London and New York, will undertake the international trading and marketing of those industrial commodities usually classified as chemicals and petrochemicals.

The primary activity will be to provide the chemical industry

	1977	1976
Turnover	£17,570,000	£12,710,000
Operating profit	£1,400,000	£1,020,000
Investment income	1,520	6,125
Interest	1,450	6,536
Profit before tax	1,400	1,020
Tax	491,624	206,312
Pre-charge	116,531	187,796
Credit from div. sales	27,259	—
Marketing	17,804	191,798
Interim dividend	43,723	64,294

APOLLO

Edited by Denys Sutton

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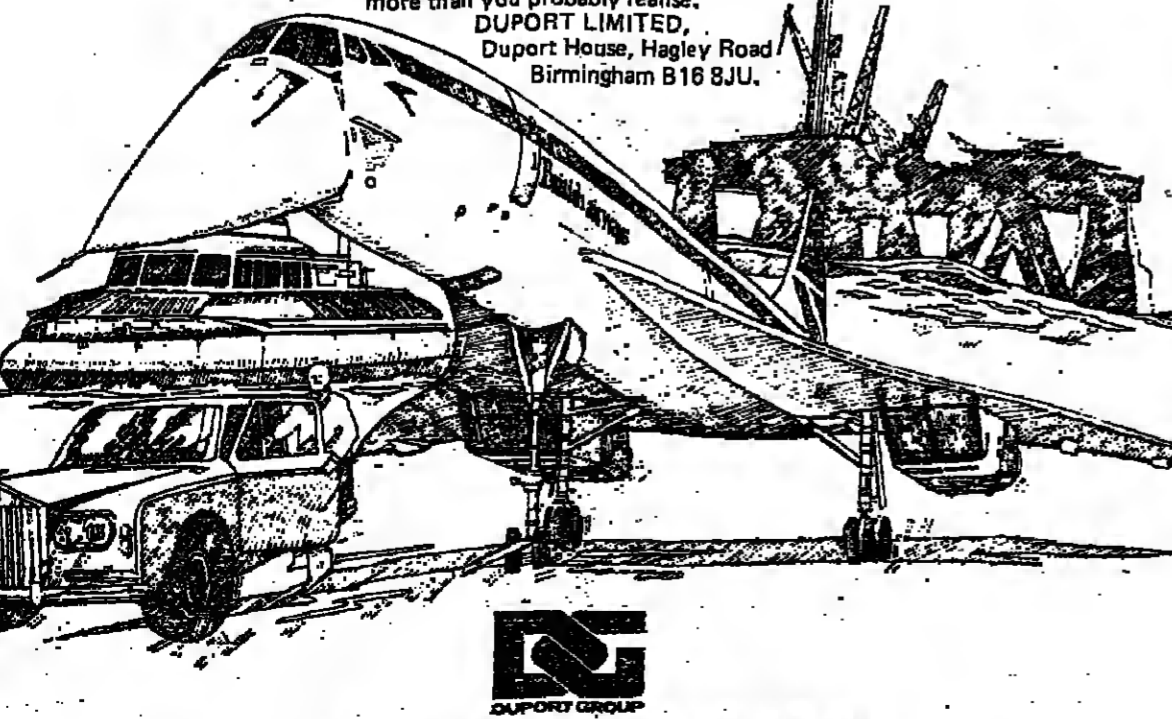
Duport's contribution in the home includes Vono furniture, Grovewood Kitchens, Swiss curtain systems, Slumberland and Vi-Spring beds and Portways fibre for filling quilts, mattresses and clothing. We also supply components for a variety of uses in the domestic gas appliance industry.

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A GREAT BRITISH COMPANY

QUILLCROWN - PAWSON

Details of the unconditional cash offer being made by Quillcrown for the control of Pawson owned by W. Pawson and Son, the Halifax Clothing manufacturers, have now been circulated.

In a statement accompanying the offer Mrs. Jane A. Kaye, chairman of Pawson, refers to the fact that Quillcrown, a private company, now holds 870,182 shares, representing 50.07 per cent. of the capital and that the offer is not unconditional as to acceptances.

Quillcrown, it is stated, will endeavour to maintain the listing for the shares of Pawson on the Stock Exchange. Mrs. Kaye says members of her family and herself sold shares to Quillcrown because they believed it was in the best interests of Pawson to have the advantage of new management and expertise.

In this belief, and Quillcrown already having control, she and her husband are retaining the major part of their shareholdings and will be remaining on the Board, entering into service agreements and continuing to be actively involved in the future of Pawson.

CATTLE'S EXPANDS

Cattle's (Holdings) has acquired the Bury Traders Supply Company, an old-established consumer finance business trading in Bury and district.

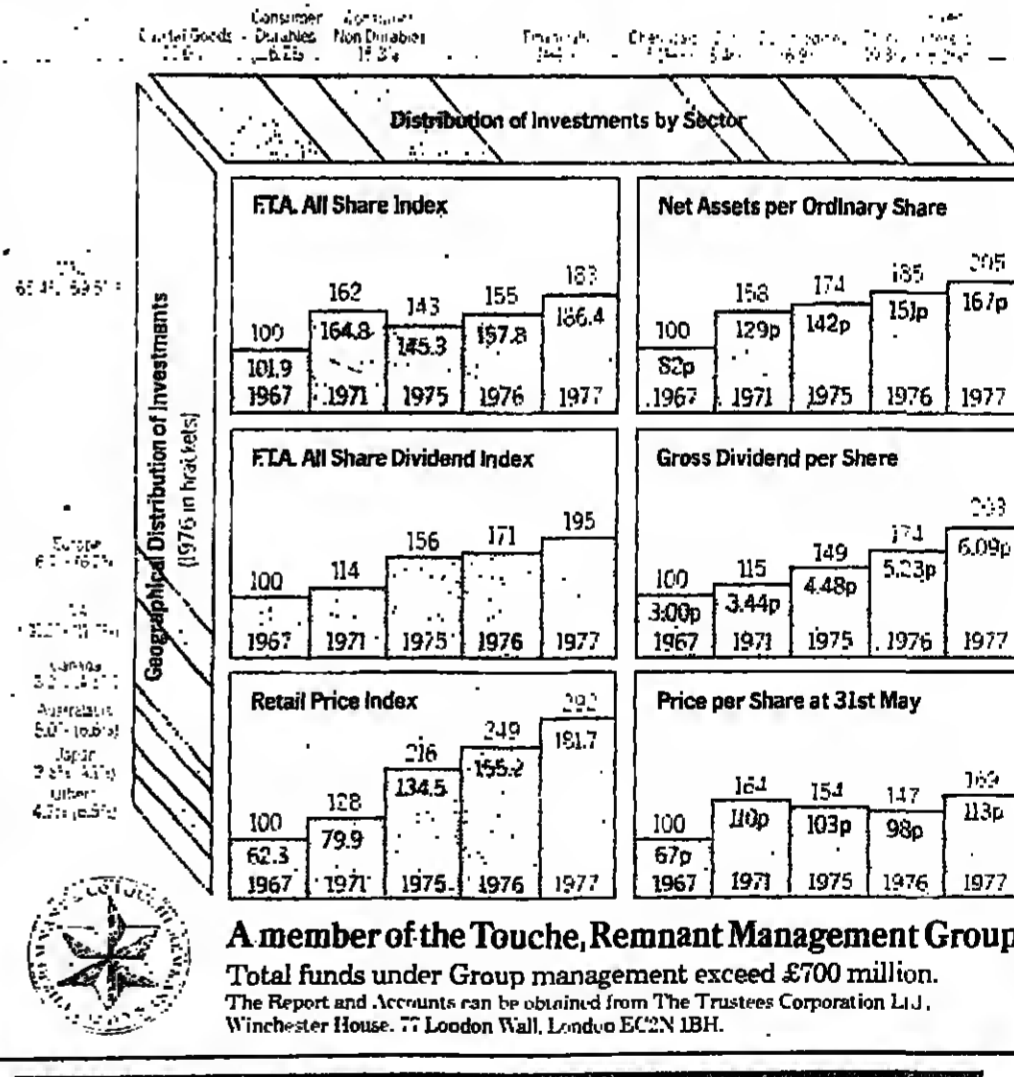
This acquisition reinforces Cattle's policy of planned expansion into new areas of operation and it is expected that this latest acquisition in conjunction with recently formed Shopcheck (Lancashire) will provide the base for a network of branch offices in Lancashire.

CORN EXCHANGE

The Board of the Corn Exchange Company announces that it has received confirmation from Grindley Brands, acting on behalf of Industrial Equity, which is a subsidiary of Brierley Investments, that after aggregating the purchase on May 31, of 341,200 shares announced last week, Brierley together with its subsidiary and associates, now hold 578,700 shares of the £10m Exchange, some 20.8 per cent. of the issued capital.

The Trustees Corporation Limited.

Total Assets at 31st May, 1977: £57.6 million.



A member of the Touche, Remnant Management Group.

Total funds under Group management exceed £700 million.

The Report and Accounts can be obtained from The Trustees Corporation Ltd., Winchester House, 77 London Wall, London EC2N 1BH.

T.C. Harrison

Ford, JCB, Vauxhall/Bedford Main Dealers, Fleet Sales, Vehicle Leasing, Hire Purchase

INTERIM RESULTS

► Profits increased by 66 per cent
► Increased Dividend

	Unaudited Results	
	6 months to 30th June 1977	1976
	£000's	£000's
Turnover	18,266	14,387
Profit before tax	876	526
Profit after tax	420	252
Dividend per share	1.3778p	1.2p

"All sections of the business show increased contributions to profit. Shareholders can look forward with confidence to the future."
T. C. Harrison, Chairman

TCH GROUP

Copies of the Interim Report can be obtained from the Secretary, 53-67 London Road, Sheffield S2 4LD

£0.9m loss by Change Wares

DETAILS OF the rescue operation for Change Wares, the company which manufactures shopping baskets and shelving for supermarkets, were announced yesterday.

The company, which also revealed it had incurred an overall loss of £891,700 for the year to July 2, 1977, has reshuffled its Board and is planning to raise £500,000 in new share capital.

Included in the loss is an amount of £548,522, which is less incurred on the disposal of the company's German and French subsidiaries. The sale of these companies has removed actual and contingent liabilities totalling £23m, which Change Wares was in no position to pay.

The £1m of new capital will be raised, subject to shareholders' approval, by the issue of 12 per cent convertible Cumulative Participating Preferred Redeemable shares of 10p each on the following basis:

(i) A direct subscription for 2,231,250 Preferred shares at 10p per share by associates of the four new U.S. directors, namely Bastian-Blessing Company, Inc. as to 1,031,250 shares, Pzse Mill Group II and Joseph Eiger as to 300,000 shares, and James Gersso as to 200,000 shares.

(ii) A direct subscription of 500,000 Preferred shares at 10p per share by Mr. C. W. Rnse, the new chairman.

(iii) An undervritten Rights issue to existing shareholders on the register on September 14, 1977, on the basis of one preferred share for each Ordinary share held.

The Rights issue has been underwritten by Energy Finance and General Trust.

In his statement to shareholders, Mr. Rose states that the principal reason for the company's failure to meet its forecast break even position in the second half of the financial year, "can be found in the internal management information system which was geared to a more stable economic environment."

"In the injection of new permanent capital has been needed long before now for this has always been an underlying weakness in the company's financial structure," he added.

The shares closed 2p down at 15p. They had been as low as 5p last week.

C. H. Bailey
Dry dock owners and ship repairers C. H. Bailey reports a pre-tax profit of £138,322 for the year to April 1, 1977, compared with a loss of £137,001.

There is again no final dividend.

BIDS AND DEALS

Dutch stake in CES up to 9% as Lonrho sells

BY MARGARET REID

DUTCH INSURANCE group Amey has built up a 9 per cent stake in Combined English Stores after buying in an £530,000 deal, the £1 per cent stake hitherto held by Lonrho, the trading and industrial company, which acquired the holding in May 1976.

Following the disposal of the Lonrho shares, two Lonrho directors, the chief executive, Mr. Tony Rowland, and Mr. Fred Butcher, have resigned from the Board of Combined English, which is headed by Mr. Murray Gordon.

The 800,000 shares bought by Amey from Lonrho changed hands at above the market price of 110p each, the level at which the holding had been bought last year, when the arrival of Lonrho as a shareholder at Combined English, and of its directors on the Board, created a stir.

Following stock market purchases of Combined English shares, the Amey holding now amounts to 1.79m. shares.

News of the share transactions sent the Combined English price soaring yesterday to finish 18p up on Tuesday's closing level at 94p.

But in Holland last night a spokesman for Amey damped any take-over speculation by saying: "It is open to the speculation to raise this article further."

Amey is already the joint owner, with Combined English, of a Dutch company, Combined European Retailers, which owns a chain of women's dress shops, Biba and Pariscop Gmbh, in Germany and the Berlincor concern in Holland which sells handbags.

The Amey spokesman explained the acquisition of the stake in Combined English by adding: "This move fits in with the diversification policy of Amey under which activities unconnected with insurance are being carried out in association with parties with track knowledge."

Or. J. B. J. Bollerman, a director of Amey as well as of its Brahalo subsidiary through which the purchase of shares in Combined English was made, has joined the latter's Board.

Mr. Murray Gordon said last night that the Amey holding in Combined English and the interests include the Harry Fenton men's clothes and Salisburys handbag stores—would pave the way for further expansion of their joint interests in Europe.

AMAL INDUSTRIAL MINORITY GETS 9P CASH OFFER

Tagis Investments, the Jersey-based investment holding company which represents the interests of Mr. T. C. Harrison, Norwegian financier, is to make an offer of around 9p cash per share for the 19 per cent of Amalgamated Industrials that it does not already own.

The latest bid follows an earlier offer of ATSO, the main company representing the interests of Mr. A. T. "Teddy" owned 51 per cent of Amalgamated and also National Union Bank. The latest move, which follows the replacement of Mr. Smith as chairman of Amalgamated by Mr. Hegard, effectively eliminates Mr. Smith from the scene.

A spokesman for Seton Trust, which is acting as financial advisers to Tagis, said yesterday that the reasons for Mr. Smith's departure were that he was "fed up and disillusioned."

A Department of Trade investigation into the affairs of Bryanston Finance, a company formerly controlled by Mr. Smith, yet to be published in accordance with the provisions of Rule 34 of the Take-Over Code, which relates to an offer being made to other shareholders on the same basis as that of the offer.

The situation is further complicated by the fact that the Amey holding in Combined English is making a contested offer for British Electronic Controls.

The bid price will be calculated in accordance with the provisions of Rule 34 of the Take-Over Code, which relates to an offer being made to other shareholders on the same basis as that of the offer.

At yesterday's closing price, Ball, a manufacturer of plastic components for the motor industry, had a market capitalisation of £4.4m.

W. W. BALL MAY BID FOR BLADGEN & NOAKES

News of talks that could lead to W. W. Ball making a take-over bid for Bladgen and Noakes, the container, chemical and printing companies, was reported yesterday. Ball ended 24p up at 104p, while Bladgen and Noakes closed 10p better at 216p. A further announcement will be made shortly.

POSSIBLE OFFER FOR RAJAWELLA MINORITY

Rajawella Produce Holdings and A. Mendez and Co. (C.R.) are having discussions with a view to an offer being made by the latter to the capital of Rajawella not already owned.

Whether these discussions will lead to a firm offer being made will be known shortly after the audited accounts of Rajawella for the year to June 30, 1977, are available. It is expected that these accounts will be available on or about October 31.

The AIC group, through its subsidiary Euro-mark Securities, already owns 28.5 per cent of the Rajawella capital. AIC is the U.K. subsidiary of Mendez International, the Hong Kong parent of a group of financial and trading companies operating mainly in the Far East.

LAIRD OFFER LAPSES

The Board of Laird Group prior to their announcement of September 7 stating that, following the announcement of the offer by Coalite and Chemical Products for Charrington Industrial Holdings, Laird did not intend to be drawn into an action.

A U.S. MACHINE TOOL COMPANY

Substantial interest in one of the world's largest machine tool companies with European subsidiaries is for sale at less than three times actual average earnings for last three years, and at less than two times estimated average earnings for next three years. Replies to: R. E. Connor, c/o Smith Barney, Harris Upham & Co., Inc., 9 Basinghall St., London EC2V 5SH, England.

MINING NEWS

U.S. mining law

The U.S. Secretary of the Interior, Mr. Cecil Andrus, will today announce proposals to a committee of the House of Representatives for a new U.S. mining law to replace one that has been in existence for more than 50 years.

Remarks made by Mr. Andrus at the American Mining Congress suggest that the Carter Administration's plan will fall far short of what the industry thinks is desirable. "I would be naive to use a kind word—to expect the mining industry to endorse it," he said.

The Administration's plans affect the publicly-owned lands, some two-thirds of which have for years been closed to mining activity. Mr. Andrus made it clear that the use of land for other purposes would be related to other considerations so that a balance is achieved between the productive use of the land and the protection of the environment.

This implies a leasing system and the involvement of Government in mining exploration and production decisions. This is precisely what the industry wishes to avoid. The industry wishes the old law retained which provides for companies to explore, make claims and have security of tenure over any discovery.

Mr. Andrus, however, has indicated that the Government will be classifying land so that mining will be prevented. The old law, stated Mr. Andrus, "makes it difficult to mine the only economic element on the public lands that remains basically uncontrolled."

More food for thought at the American Mining Congress was the comment that the impact of all the pollution control regulations would be to reduce the earnings of the U.S. copper industry, the world's largest, by about 10 per cent. Higher copper prices might be likely to be forced to close-down permanently.

These conclusions came from Mr. Bryce MacDonald, Director of Engineering at Kennecott Copper, and Mr. M. J. Weiss, senior consultant of National Economic Research Associates. They have conducted a survey of historical costs and projections of future costs in companies accounting for 85 per cent of U.S. primary refined copper production.

The rate of return of invested capital in the copper industry would decline from 15 per cent to less than 7 per cent, Messrs. MacDonald and Weiss stated.

Under such circumstances, it is not clear how the industry would raise the higher cost of capital needed for maintaining the current production level, including pollution-control equipment, let alone investment in new production up to 1975 including the average cost in the U.S. copper industry at 81 cents a pound, excluding pollution control costs.

The pollution control expenditure up to 1975 included the average cost is 58 cents, including future expenditure, the average production cost per pound is 12 per cent, more than without pollution control expenditure.

The slack demand for copper and the large level of stocks overhanging the market has already reduced the market price, at the beginning of the week, to 54.3p cents and caused production cutbacks and the dismissal of employees. The latest case is at Newmont Mining's Marana Copper.

CLARK CHAPMAN REYROLLE SCHEME APPROVED

The scheme of arrangement for the merging of Clark Chapman and Reyrolle Parsons was approved by the High Court yesterday.

Application for listing of the securities of Northern Engineering Industries will be made to the Stock Exchange on Friday.

It is expected that the scheme will become effective on September 15, 1977, when the merger of Northern Engineering in Northern Engineering's securities on September 21.

STEWART AND WIGHT

The directors of Stewart and Wight state that Mr. Michael B. Conn, solicitor, who represents the interests of both Reyrolle Parsons and Commercial Property Investments has informed the Board that as his clients had a substantial holding in the company they considered, in view of the retirement of Mr. W. R. Davey as director and chairman, they would like to have representation on the Board.

As a result it has been agreed that Mr. Conn join the Board as a non-executive director from September 26.

The following are the holdings in which Mr. Conn has an interest: Mr. Conn—4745 Ordinary and 2400 Preference shares; Country and Commercial—3,386 Ordinary and 8,948 Preference; Mr. Michael B. Conn—100 Ordinary; Total interest is 12,291 Ordinary, 125,336 per cent, and 1,349 Preference shares (32.53 per cent).

O. C. SUMMERS SAYS WAIT

The Board of O. C. Summers (Holdings) is consulting its financial advisers regarding the offer from London and European Group and in the meantime advises holders to take no action in relation to the proposed offer.

The following are the holdings in which Mr. Conn has an interest: Mr. Conn—4745 Ordinary and 2400 Preference shares; Country and Commercial—3,386 Ordinary and 8,948 Preference; Mr. Michael B. Conn—100 Ordinary; Total interest is 12,291 Ordinary, 125,336 per cent, and 1,349 Preference shares (32.53 per cent).

POLYSAR EXTENDS MONO OFFER

Offers made on behalf of Polysar Belgium NV to acquire the capital of Mono Containers have been extended until 3.00 p.m. on September 22, 1977.

Acceptances have been received in respect of 389,584 Ordinary shares, representing 22.19 per cent of the Ordinary capital of Mono, and 36,531 Preference shares, representing 41.00 per cent of the Preference capital.

SHARE STAKES

William Reed and Sons, Birmingham and Midland Counties Trust sold 425,000 shares on September 8. Its holding now is 2,244,222 shares (47.9 per cent).

Davies and Metcalf, Central Manufacturing and Trading Group increased its holding by buying 5,000 shares on September 7.

Now your international customers can dial you toll-free from Zurich, Geneva, Madrid, Amsterdam, Frankfurt, Brussels, Barcelona, and Bahrain.

Through Service 800

The interim dividend is lifted to 2.90p (2.6p net per 20p share) and Mr. W. H. Tavenar has waived this payment on 242,015 shares amounting to £7,028 in 1976, the total paid was 5.2p from £29,447,447.

Mr. Hyde adds that the strengthening of the pound affected export profits adversely by £86,000 and the elimination of the regional employment premium by the Government chopped another £100,000.

These adverse factors would have been overridden, however, by teething troubles in the expanded Liverpool factory had not interfered with attaining the full production scheduled, he adds.

NORANDA SLOWS ZINC EXPANSION

The 64 per cent-owned Brunswick Mining and Smelting of Canada's Noranda group is deferring the completion date of its \$250m (£28m) expansion programme at the No. 12 mine at Bathurst, by at least one year, reports our Toronto correspondent.

The president, Mr. William James, said this action had been taken because of the adverse effect on the company's cash position caused by the reduction of the price of zinc during May and because of continuing worldwide surplus inventories of zinc metals.

As a result, it has been decided not to declare a dividend for the second half of this year. The rate has been 10 cents per share a year, paid 5 cents semi-annually.

Mr. James said that the slow-down in the underground expansion would mean that the total mine production would decline from 9,400 tons per day to 7,500 tons per day during the fourth quarter of 1978 and would remain at that level until the expansion project was completed.

But this expansion will not be completed until 1980 at the earliest. On completion, production will be at 11,000 tons per day as planned originally, he added. As previously reported, Noranda's first-half net income was \$20m (£2.3m), compared with \$20m (£2.3m) a year ago.

HAMPTON AREAS

Trading profits of Hampton Gold Mining Areas for the first four months of the current year are "satisfactory," according to the chairman Mr. J. R. Ley, at yesterday's meeting. Add further acquisitions in the U.K. and Australia are being considered.

As already announced, the company has taken a substantial minority interest in Silver Valley Minerals which has two mineral properties of interest which are being examined.

Of the company's other one-grade material mines and a drilling programme, Mr. Ley said that the company has been carrying out a detailed drilling and points out that it is not yet possible to determine the area or the thickness of the ore.

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Jonathan Wren & Co. Ltd recruitment consultants to the banking profession have pleasure to announce that Nor Given, Leslie Squites and Kenneth Thom have been appointed to their board of directors.

Bank of South Wales

British Leyland Limited

HALF-YEAR RESULTS TO 2 JULY 1977

The Board of British Leyland Limited has announced unaudited results for the six months ended on 2 July 1977.

SALES
— UK 653
— Overseas 672
— TOTAL 1,325

PROFIT BEFORE INTEREST AND TAXATION 414
Interest payable less receipts (28.9)
PROFIT BEFORE TAXATION 385.1
Taxation charge (7.3)
PROFIT AFTER TAXATION 377.8
Minority interests (1.3)
PROFIT AFTER TAXATION AND MINORITY INTERESTS 376.5

VEHICLE UNIT SALES 412,000

The trading profit of £41.4 million is after charges for depreciation and amortisation, compared with a charge of £29.6 million for the six months to 26 June 1976.

Chairman's Statement
The profit before taxation of £12.8 million is after charges for interest and depreciation. The interest charge of £28.8 million is relatively high levels of interest rates which prevailed in the period. The depreciation charge of £37.3 million is the result of the increasing rate of capital expenditure. The taxation charge of £7.3 million relates mainly to profits in overseas subsidiaries.

Continued inflation in the United Kingdom and the strengthening of sterling in relation to other currencies, particularly since October 1976, have severely curtailed export margins.

In the first quarter, the Company drew down the £100 million of NEB loan funding that was approved in July 1976 for £100 million funding was approved by the Secretary of State for Industry in July 1977 but has not yet been drawn down.

The profit before taxation of £12.8 million is made up of £1.2 million from T.M. products and £21.6 million from non-automotive products, offset by a loss of £15.2 million from cars and light commercial vehicles at home and abroad.

The major cause of this unsatisfactory result was the protracted strike of Leyland Cars toolmakers in the first quarter of 1977. In the second quarter, the performance of the car plant was good enough to rebuild stocks of some models but the loss of profit in the first quarter is of course irreversible.

Although there have been some recent signs of a better understanding between the Company and its employees, the current industrial bargaining is bound to bring further stresses in industry at large.

The major industrial disruption that has already occurred in the third quarter, partly inside the Company but largely outside, to free collective bargaining, make it unlikely that the results for the second half-year will be better than for the first.

INVEST IN 50,000 BETTER TOMORROWS

50,000 people in the United Kingdom suffer from progressive paralyzing MULTIPLE SCLEROSIS—the cause and cure are still unknown—HELP US BRING THEM RELIEF AND HOPE.

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COSMOPOLITAN PROPERTIES AND SECURITIES LIMITED HONG KONG

(A Company Registered in Hong Kong)

Balance Sheet at 31 March 1977 (Expressed in Hong Kong Dollars)

	1977	1976
Fixed Assets	\$ 95,719,685	\$ 95,764,061
Quoted Investments	193,266	1,068,983
Mortgage and Installment Debtors	1,176,658	1,646,690
Long Term Receivables	509,897	1,243,395
Current Assets	\$ 31,014,841	\$ 34,692,142
Less: Current Liabilities	8,102,838	6,802,518
Working Capital	22,912,003	17,889,624
	120,511,509	118,611,763
Long Term Liabilities	4,623,080	5,672,054
Total Shareholders' Funds (Share Capital and Reserves)	\$115,888,429	\$112,939,689
Profit and Loss Account		
TURNOVER	\$ 43,242,291	\$ 24,301,771
Profit before taxation	\$ 18,874,210	\$ 10,847,407
Profit after taxation	15,424,210	9,080,407
PROFITS AVAILABLE FOR DISTRIBUTION	17,452,922	11,372,462
Disbursements:		
Total dividends	\$ 10,062,500	\$ 9,343,750
Social Cash Bonus	2,156,250	

Shares are quoted in London under Rule 163 (1) (e) and listed under the Special List in the Financial Times.

Annual Report and further information are available from the Company at:

Kowloon Central P.O. Box 1459 Hong Kong.

TO CONTINUE... British Leyland... loss £1... PUBLIC OF... TREASURY DEPA... MINISTERE GOVERNME... MINISTROS PETROLIO... NATIONAL PUBLIC TE... INVEST IN 50,000 BETTER TOMORROWS... MULTIPLE SCLEROSIS... HELP US BRING THEM RELIEF AND HOPE... Please help—Send a donation today to: Room F.1 Multiple Sclerosis Society of G.B. and N.I. 4 Trenchbrook Street, London SW1 153

Expansion over...
ing law

Oil to continue expansion policy

Oil companies have started a new year with a notably satisfactory year with management showing trading profits of those for the same year, reports Mr. ...
... expansion policy ...

British Enkalon loss £1.5m.

REPORTING an increased pre-tax loss of £1.5m, against £2.1m, for the first half of 1977, Mr. J. Martin Ritchie, chairman of British Enkalon, says that prospects for second six months remain uncertain. However the interest reduction has reduced the value of the price of oil products continued to cause a straining economy, measures by customers and gave rise to intense price competition.

Trading conditions during the first half continued to reflect the general malaise in the man-made fibre industry, he says. Certain price increases were made but these are still not sufficient to cover the impact of inflation. Sales were up 20.6% to £22.5m. The market is still bedevilled by large quantities of cheap imports, despite approaches to the Government and the EEC on the effect this is having on current employment prospects and long-term viability of both the textile and man-made fibre industries, the chairman says.

COMPANY NOTICES

REPUBLIC OF ICELAND
8 1/2% 1973/1988 UA 12,000,000
Bonds for the amount of UA 200,000 have been drawn on August 29, 1977 in the presence of a Notary Public for redemption on October 24, 1977. The following Bonds will be reimbursed coupon due October 24, 1978 attached:
4071 to 4270 inclusive
Amount purchased: UA 100,000.—
Amount unamortized: UA 10,000,000.—
Luxembourg, September 15, 1977. THE FISCAL AGENT KREDIETBANK S.A. Luxembourg/Geologie.

MOBIL OIL HOLDINGS S.A.
5 1/2 per cent Sterling/Deutsche Mark Guaranteed Bonds 1980
NOTICE OF EARLY REDEMPTION
On behalf of the above Company, S. G. Warburg and Co. Ltd. hereby gives notice to holders of the above mentioned Bonds of the Company's election in accordance with Condition 2 of the Bonds to redeem all outstanding Bonds on the 15th December, 1977 at 101 1/2 per cent of the nominal amount thereof.
S. G. WARBURG & CO. LTD.
A Principal Paying Agent

PEGASUS INTERNATIONAL S.A.
Corporation registered and established under the laws of Panama, is presently making arrangements for the second European distribution to shareholders.
It is requested that all holders of the Shares in the said company should forward these shares certificates and the necessary forms with instructions for payment of the amounts due, to the registered office at:
Pegasus International S.A., P.O. Box 17768, Panama, Panama.
By Order of the Board, J. HENNING, Secretary.

NOTICE TO BONDHOLDERS INCHCAPE (BERMUDA) LIMITED
6 1/2 PER CENT CONVERTIBLE GUARANTEED BONDS 1982
NOTICE IS HEREBY GIVEN pursuant to the Trust Deed constituting the Bonds of the terms and conditions of the Bonds, Bondholders are notified that the Bonds are to be redeemed on or after 15th March, 1978, in accordance with the provisions of the Trust Deed, and that the redemption is to be effected by the issue of a new series of Bonds, the terms and conditions of which are set out in the Prospectus for the new Bonds, which is available on application to the Registrar of Companies, Bermuda, or to the Secretary of the Company, at the address set out below.
Oated 15th September, 1977.

CONTRACTS AND TENDERS

HELLENIC REPUBLIC
The National Tourist Organisation of Greece
PREQUALIFICATION ANNOUNCEMENT for the CONSTRUCTION of three (3) Hotel-Schools in Greece
The National Tourist Organisation of Greece intends to invite sealed tenders from building contractors from countries, members of the International Bank for Reconstruction and Development (IBRD) and from Switzerland for the construction of three (3) Hotel-Schools, of the School of Tourist Professions, in Greece.

The location, the construction area and the estimated construction cost per Hotel-School are as follows:

Location	Construction Area (sq. m.)	Construction Cost (Drs.)
1. Thessaloniki	5,740	60,000,000
2. Iraklion (Crete)	7,570	80,000,000
3. Athens	7,650	92,000,000

Bidding evaluation is anticipated to take place within the first quarter of 1978 and construction to start within the second quarter of 1978.
In order to proceed with the prequalification of Building Contractors, interested parties are invited to submit by the 15th of November, 1977, to the National Tourist Organisation of Greece, Technical Services Directorate, 2 Amerikis St., Greece (tel. 3233.111 ext. 145) statement of intent in accordance with the written instructions obtainable now from the above address.
The anticipated construction period for each Hotel-School is 24 months. Tender documents in English will be forwarded only to prequalified bidders.
The projects will be implemented in accordance with the Greek Laws. The projects cost is partially covered by the proceeds of a Loan agreed between the Hellenic state and IBRD (Loan Agreement No. 858-GR/2.10.1972), ratified by Legislative Decree No. 1308/1972. The Projects will be financed by the Public Investments Programme.
Statements of intent can be submitted for one or more Hotel-Schools.
THE NATIONAL TOURIST ORGANISATION OF GREECE
Secretary General: T. ZANETAKIS

THE NATIONAL TOURIST ORGANISATION OF GREECE
Secretary General: T. ZANETAKIS

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Finance for Growing Companies

If you are a shareholder in an established and growing company and you, or your company, require between £50,000 and £1,000,000 for any purpose, ring David Wills, Charterhouse Development. Investing in medium size companies as minority shareholders has been our exclusive business for over forty years. We are prepared to consider new investments in both quoted and unquoted companies currently making over £50,000 per annum pre-tax profits.

CHARTERHOUSE

Charterhouse Development, 1 Paternoster Row, St Pauls, London EC4M 7DH. Telephone 01-248 3999.

POWER ROD WANT YOU TO INVEST IN THEIR RAPID-PROFIT INDUSTRY
Now is the time to invest in the drain and pipe clearing market, worth over £100m a year. We offer franchises at £7,500—a very attractive business proposition for individuals or companies. From Power Rod you'll get technical training, marketing instructions, promotional support and business contracts. A number of important areas in the U.K. are not yet franchised. For further information about them—and about the potential of this exciting venture—contact Ross C. Yeo, Franchising Director, Power Rod Limited, Lidgro House, 250, Kingsbury Road, London, N.W.9. Phone 01-204 9011.

JOIN THE BOOM — RUN YOUR OWN WINE BAR
We are currently looking for suitable applicants to run their own wine bars in various parts of the U.K. They will operate under our name with the backing of a substantial marketing organisation. Profits will be distributed in accordance with a pre-arranged agreement providing, on average, an income in excess of £10,000. For details, please contact: John Atkinson, Sharegen Limited, 48a High Street, Peckham, Walsall WS3 4LT. Tel: Peckham 685853/4/5.

WANTED
Cash companies or companies with realisable assets. Purchase price high proportion of net asset value. Payment in attractive capital gains tax free form. Please write Box No. LR/260 Streets Financial Limited, 62, Wilson Street, London E.C.2.

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RELEASE YOUR OWN CASH BY DISCOUNTING YOUR INVOICES
95% paid by return on approved accounts
Phone Bolton (0204) 693321
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RETAILERS
Wherever cash is handled there is a commission for the person who handles it. In retailing, it is easy to dispose cash in the form of inventory stock. Lodge Service, with branches throughout Britain and over 50 years' experience, is able to help retailers at a low cost reduce and control stock levels, thereby increasing their profits. Consultation carries no obligation.

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Qualified Arab Translators, Typographers and Printing for Sales Literature, Exhibition Material for the Middle East.
Pan-Arab Publications Limited
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WANTED
NON-ETHICAL PHARMACEUTICALS
Well established company now substantial funds to invest in promoting the sale world-wide of proprietary medicines and medical products. Established or new brands. Write The Corporation, Pound International Corporation, 10, Cannon Street, High Wycombe, Bucks., England.

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Our Service plus an imaginative Television Promotion Campaign could achieve rapid distribution for your products.
Write Box G.400, Financial Times, 10, Cannon Street, EC4P 4BT.

We wish to acquire a SMALL LITHO PRINTING COMPANY
which is situated in the Greater London Area. Must have SA2 size 2 and/or 4 colour printing machinery. Profits not important. Strict confidence assured. Please write to Managing Director, Box E.9943, Financial Times, 10, Cannon Street, EC4P 4BT.

TAX LOSS COMPANY
Specialising in the field of architectural metalwork required. Please write giving details to Box G.563, Financial Times, 10, Cannon Street, EC4P 4BY.

SOUTH AMERICA
Company Director travelling extensively throughout South America Mid October will take commissions.
Tel 01-723 3291.

OLD ESTABLISHED reputation Company manufacturing and selling products for the Construction Industry with long share market history. Established or would consider selling to. Please write to complete confidence to Box G.563, Financial Times, 10, Cannon Street, EC4P 4BY.

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Factory reconditioned and guaranteed by IBM. Buy, save up to 40 p.c. Lease 3 years from £3.70 weekly. Recast from £29 per month. Phones: 01-641 2368.

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Group the opportunities in a low tax area. We specialise in the formation of companies including nominee appointments, secretarial services, letters of advice, WOLP letters and general consultancy including commercial and tax matters.
Full details from P. A. Brown, Brown Brothers Ltd., Victoria House, Prospect Hill, Douglas, Isle of Man, Tel: 0824 2861. Telex 628241.

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SURPLUS STOCK AND EQUIPMENT REDUNDANT LINES For HOME and EXPORT MARKETS. Turn: Healds into Cash Contact Us Now I I I I I LINELI ENTERPRISES LTD. 25 Farker Street, Bury, BL9 0JL. Tel: 061-761 4918. Telex: 646879.

WANTED
CAPITAL AVAILABLE for any serious business proposition that ventures beyond London. Write to: Box G.563, Financial Times, 10, Cannon Street, EC4P 4BY.

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There's still only one realistic way to make a fortune: start and build up your own business. And now is exactly the time to do it—even Mr. Callaghan says so. But which businesses are going to boom? Leisure parks, take-away restaurants, Celtic oil? Get the vital information you need to make a killing of your own from the COMPANY DIRECTOR'S LETTER, the informed private-subscription service under the editorial supervision of Robert Heller. Send for details of free trial offer to Company Director's Letter, Dept. 1, CO 43 Golden Square, London, W.1. Or phone 01-597 7337 (24-hr. answering service).

CAPACITY REQUIRED

A semi-autonomous Division of an International Engineering Group engaged in the manufacture of engineering capital equipment is seeking immediate capacity. The requirement is for engineering design, fabrication and assembly facilities, having a minimum 10-ton lifting capacity, together with machine shop capacity suitable for 1-off and batch production. Favourable consideration will be given to those companies having their own product range which is under-utilising existing capacity. Write Box G.598, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED COMPUTER CONSULTANCY OR SOFTWARE HOUSE

Highly successful management and computer consultants are seeking to acquire organisations in similar lines of business. Apply in strictest confidence to: Box G.426, Financial Times, 10 Cannon Street, EC4P 4BY.

CONVEYOR ERECTION SERVICES LIMITED

have a wide experience of Mechanical Handling Installations in Europe and at present have capacity to take on additional contracts anywhere in the world on a day work or fixed price basis. We ensure you of a first class service. Write: 2, Trafford Road, Eccles, Manchester. Telephone 061-789 6728. Telex: 667058

STRUGGLING SMALL GENERAL ENGINEERING COMPANY

on 4 acre freehold site with 14,000 sq. ft. of o/w work-shops covered by 5 loo and 3 loo overhead Gantry Cranes, and with planning permission for further development. Employing 40 people with comprehensive machine and fabrication shops. For sale as a going concern, or willing to be taken over by larger company who may be able to inject profitable work. Low price for quick sale. Apply: Managing Director, Linkster Engineering Ltd., Lyme Green, Macclesfield, Cheshire.

CONFIRMING HOUSE AGENCY

We are an Australian company experienced in Confirming and are seeking to represent in Australia, a substantial Confirming House with competitive charges. Most business introduced would involve non-U.K. goods and L/C's usually required. Please write Box G.607, Financial Times, 10, Cannon Street, EC4P 4BY.

LANCASHIRE HOT POT IN BARRHILL

Can you provide your services work force with all the tools it requires. Dry Cool and Frozen Containers of all sizes. Contact: Allstaff, Stoddart or Runcorn 63311 (24-hour answering service) for details.

TAX LOSS COMPANY REQUIRED

£1m-£1.5m, agreed Property Investment. Write giving details to Box G.405, Financial Times, 10, Cannon Street, EC4P 4BY.

SOLAR TECHNOLOGY MANUFACTURING

U.S. quote company manufacturing solar panels and water controllers unable to meet European and U.S. demand urgently require U.K. partner with manufacturing facilities and finance. Extremely agreeable financial package available for right partner. Write Box G.493, Financial Times, 10, Cannon Street, EC4P 4BY.

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Especially in the following areas:
ENGLAND £69
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1 Abol St, Douglas, I.O.M. (Tel: 01-264 12317). Telex 428254.

PEILE ORGANISATION LTD., RICHILL, Co. Armagh BT61 8QW.

CASINO WANTED

By Private Company, any area considered. Write in confidence Box G.582, Financial Times, 10 Cannon Street, EC4P 4BY.

Business and Investment Opportunities

Every Tuesday and Thursday
Rate: £15 per single column centimetre. Minimum 3 centimetres. For further information contact: Francis Phillips, Financial Times, 10 Cannon Street, EC4P 4BY. Telex: 885035.
01-248 8000, Ext. 456.

Bank of New South Wales

Bank of New South Wales announces that with effect from Tuesday, September 15th 1977 its base rate for lending will be reduced from 8% to 7% per annum

Bank of New South Wales, 29 Threadneedle Street, London, EC2R 8BA.

Incorporated in Australia with limited liability.

CONTRACTS AND TENDERS

REPUBLIC OF ARGENTINA

TREASURY DEPARTMENT
ARGENTINE GOVERNMENT OILFIELDS
YACIMIENTOS PETROLIFEROS FISCALES

INTERNATIONAL PUBLIC TENDER No. 14-870/77

ARGENTINE GOVERNMENT OILFIELDS (YACIMIENTOS PETROLIFEROS FISCALES) calls bids for International Public Tender No. 0/77 to contract services for exploration, exploitation and development of hydrocarbons in areas located in Isla Grande de la Tierra del Fuego and the adjacent continental shelf (Republic of Argentina).

Interested in participating are invited to present corresponding seals on January 17, 1978, before 11.00 a.m. The proposals should be in two separate envelopes, hereinafter referred to as "A" and "B," both contained in a general envelope. Cost of tender conditions: \$0,000.00 payable in Argentine currency at the rate of exchange for closing seller price as quoted by BANCO DE LA NACION ARGENTINA the day before the date of sale.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE
Chancery Division, Liverpool, District Registry
In the Matter of TONTOR LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 29th day of September, 1977, presented to the Court by TRAIL CLADDING LIMITED whose Registered Office is situated at Unit A, Rainfield, 11 Rainfield Industrial Estate, Telford in the County of Shropshire, and that the said Petition has appeared at the time of hearing in person or by his Counsel for that purpose and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the reasonable charge for the same.
BERMANS, Trident House, 21/23 Dale Street, Liverpool L2 2PS.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear at the hearing of the said Petition should send a copy of the Petition to the undersigned in writing of his intention so to do. The notice must state the name and address of the person, or firm, the name and address of the firm, and must be signed by the person, or firm, or his or her solicitor (if any) and must be served, or if heard, must be read by post in sufficient time to reach the undersigned not later than four o'clock in the afternoon of the 7th day of October, 1977.

EDUCATIONAL

FRENCH INSTITUTE
Evening classes in French Language, Civilization and Translation commencing 3rd October. Registration from 7th to 21st September. Also 10-week intensive Day Course in Oral French.
Details from: 14 Cromwell Place, London SW7 4EJ. Tel: 589 6211 Ext. 45.

Output heading for recovery

GROSS DOMESTIC Product may rise at an annual rate of about 2½ per cent during the next 18 months with the main stimulus coming from exports and consumption.

This is suggested by Bank of England forecasts included in the bulletin and based on the assumption that fiscal policy is unchanged and income tax allowances are increased in line with the rise in prices.

The Bank argues that output, which has been falling in recent quarters, may now be turning towards a modest recovery which should continue through next year.

Exports have been the only significant source of growth this year, with a rising share of world markets. They are expected to continue increasing relatively quickly in the next year, at an annual rate of growth of 6½ per cent in real terms.

Domestic demand is also projected to rise after its recent decline with an increase in consumption of around 3 per cent, at an annual rate between the first half of this year and the second of 1978.

The pick-up in private investment is forecast to con-

tribute, "though perhaps not so fast as some recent surveys have indicated," given the "slow growth of demand, considerable spare capacity, and low rates of return and uncertainty about inflation."

These projections are set in the context of a slow growth in world trade and a fall-back in the rate of economic growth in most industrialised countries except the U.S.

The Bulletin notes that because of continuing concern about inflation, and, in many cases, weak external positions, governments have remained cautious about expanding demand.

Consumer prices rose from an average annual rate of about 7 per cent at the end of last year to 9 per cent in the middle of this year.

The bulletin suggests that for 1977 as a whole, price inflation will probably be a little higher than last year as unit labour costs accelerate. Wage increases now seem likely to be as high or higher than last year in most of the major industrial countries, and productivity gains will probably be much smaller.

The Bulletin says the surplus of the oil-producing countries (OPEC) is expected to decline this year as increased imports outweigh the higher value of oil exports. The non-oil developing countries' aggregate deficit, which was cut by a third last year, is expected to be little changed this year despite higher imports.

But the aggregate deficit of the countries in the Organisation for Economic Co-operation and Development area is likely to be somewhat larger than last year.

In a detailed discussion of the U.K. economy, the Bank states that about half the loss in the terms of trade experienced around the time of the commodity and oil price boom of 1972-73 has been recovered. This has been calculated on the basis of average values rather than on unit values which is the normally published form and takes less account of changes in the composition of trade, in particular the impact of the rise in oil prices. The prices of raw industrial materials have fallen relative to those of manufactured goods.

Overall, the Bulletin argues that with domestic activity low and the balance of trade continuing to improve, the current account should move into substantial surplus.

On unemployment, the Bank notes the rapid rise after the improvement earlier in the year and the apparent slackening in the growth of manufacturing employment in recent months. So despite the prospect of some recovery in output, there is little reason to expect unemployment to turn down in the near future.

Real personal disposable income has dropped by an estimated 2½ per cent during the last year in spite of an increase in Government grants, especially social security benefits, and a reduction in the real value of income tax.

Consumer spending has fallen less sharply following a decline in the savings ratio from a range of 14½ to 18 per cent in early 1976 down to around 12 per cent in the fourth quarter with only a slight rise in the first half of this year.

The Bank suggests that there

is likely to be some rise in real incomes in the second half of this year which may tend to support consumer spending though uncertainty about future wage and price inflation may continue to make consumers cautious.

The bulletin says that profits are likely to continue to rise throughout this year as the growth of labour costs and of manufacturers' buying prices has continued to moderate. Even so, with provisions for capital consumption (at replacement cost) rising rapidly, cash profits, net of stock appreciation, and capital consumption, are only about the same as in 1973, despite the doubling of the general price level of the period.

Real rates of return, and the share of net profits in net domestic income, have recovered only slightly and are likely to remain extremely depressed.

More than half of the increase in gross trading profits (net of stock appreciation) during the last year has been from North Sea oil as production builds up and profits of other companies have been much less buoyant.

Industrial profitability hit by rapid inflation

RAPID INFLATION in recent years has been one of the main factors steepening the decline in real industrial profitability, it is argued in evidence submitted by the Bank of England to the Wilson Committee and published in today's quarterly bulletin.

In a preliminary paper submitted in May, the Bank examined recent developments in financing arrangements and a number of problems which have arisen. It points out that the decline in profitability appears to have been world wide, though it is not clear why it quickened so sharply in the U.K.

The Bank suggests that price restraints and the effect of historic cost accounting in masking the real position contributed by environmental factors to the problem, which, for a time in 1974, left many companies trading at a loss in real terms.

"Low profitability has devalued industrial investment. It has lowered industry's willingness to borrow and its capacity to service new borrowing," the Bank comments. Looking at the general effects

of high inflation, the Bank draws attention to high nominal interest rates and a growing volatility of expectations about inflation, leading, in turn, to erratic and volatile market conditions. This meant that the channeling of savings into industry became volatile and was even subject to periodic interruption.

After the subsequent improvements in the market, the Bank argues that it is "difficult to see how the supply of savings through the equity market has been seriously defective in the aggregate, except in so far as it has been temporarily interrupted by environmental factors." It suggests that the supply of savings through the equity market has been seriously defective in the aggregate, except in so far as it has been temporarily interrupted by environmental factors.

The Bank also examines relationships between the users of finance and the providers of finance, and notes that while the financial system has been efficient in channeling funds to industry its efficiency has been reduced after savings, which have reached industry, have been "less marked."

This argument provides background for the Bank's proposals to improve relationships between the providers of finance and the users of finance, and to ensure that the financial system is efficient in channeling funds to industry after savings, which have reached industry, have been "less marked."

ever, the opposite has been the case.

Turning to the problem by pressure on profitability, the Bank stresses its concern that the problem is not understood. "For as to it lie outside the system."

The Bank underlines its concern to "prevent a problem primarily concerned with users of finance coming to be regarded as a problem solved or circumvented by a very large degree by a system."

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Monetary targets important for wage negotiations

THE ROLE of the official monetary targets as a weapon in bringing inflation under control is emphasised by the Bank of England in its latest quarterly bulletin.

At the same time, the Bank provides an explanation of its present policy of holding the pound down in the exchange markets and for the first time counters arguments which have been put forward in the City for allowing the value of the pound to go up further.

The Bank argues in its assessment of the economic situation that, while the impact of monetary restraints may be weakened if the velocity of circulation increases, it will nevertheless remain an important instrument in reducing inflation.

"It can be expected," the Bank says, "that prices will rise less than under a more accommodative monetary policy; the degree of constraint exercised over inflation should increase the longer monetary targets are persevered with, and in the longer term should be increasingly effective."

The Bank suggests that there are a number of reasons why, in the outcome, the level of wage settlements in the next round could be moderate. These include the confident expectation that the level of inflation will slow down further by the end of the year as a result of past wage restraint, the stability of the pound and falling commodity prices, and the low level of demand pressures.

general awareness by all concerned with wage negotiations of what the maintenance of monetary guidelines is likely to imply. The planned rise in the money stock has therefore been put at 9½ per cent, which provides some indication of how fast the wage bill may appropriately increase."

The Bank warns that if the increase in earnings were materially higher, there would be little room for faster real expansion and for reducing unemployment. Moreover, unless inflation continues to be reduced, "it also seems likely that there will be little scope for fiscal relaxation."

Commenting on exchange rate policy, the Bank draws attention to the arguments put forward for allowing the rate to appreciate because of the helpful effect this would have in further reducing inflation.

DCE and the money stock

Despite large external inflows, sterling M₁ grew only moderately during the first half of 1977; M₂ has been rising rather faster as interest rates have fallen.

(£m.: seasonally adjusted)

	Mid-month	July 76	July 77	Oct. 76	Jan. 77	Apr. 77
Central government borrowing requirement	+1,950	+1,910	+1,030	+1,410	+1,190	+1,190
Net purchases (-) of central government debt by non-bank private sector	+ 990	-1,120	-2,270	-1,100	-1,620	-1,620
Other public sector	+ 440	+ 410	+ 620	+ 160	+ 180	+ 180
Bank lending in sterling to U.K. private sector†	+ 990	+1,210	+1,010	- 140	+1,030	+1,030
Overseas	+ 150	+ 100	- 190	- 30	+ 150	+ 150
Domestic credit expansion	+2,540	+2,510	- 400	- 20	+ 930	+ 930
External and foreign currency finance (increase -)	- 930	- 880	+ 260	+ 670	+ 370	+ 370
Other	- 450	-	- 200	- 60	- 640	- 640
Sterling M ₁	+1,160	+1,630	- 340	+ 590	+1,160	+1,160
Percentage change in sterling M ₁	+ 3.1	+ 4.2	- 0.9	+ 1.5	+ 2.9	+ 2.9
M ₂	+ 510	+ 300	+ 140	+ 820	+ 870	+ 870
Percentage change in M ₂	+ 2.9	+ 1.7	+ 0.8	+ 4.4	+ 4.5	+ 4.5

* Other public sector borrowing requirement, less purchases of other public sector debt by the private sector (other than banks).
† Including commercial bills bought by the Issue Department of the Bank of England.

National debt lower in relation to GDP

THE NOMINAL value of the national debt in market hands—the measure of the amount owed by the Government to others—almost doubled between 1963 and 1976.

But it is shown in a special article in the Bank of England Bulletin that the debt has declined very sharply in relation to the level of gross domestic product since the early 1960s.

The ratio of the debt to GDP, an indication of its importance in relation to the general level of economic activity, is now around its lowest point since before the First World War.

There are two main reasons for the decline, the article comments: the economy has grown in real terms over the period, and the real value of the debt has been eroded by inflation.

Even so, "taking redemptions and interest payments together, future taxes will be higher than the total payments to be met each year by the authorities, which is tended to decline relative to GDP."

But the article adds, "a continuation of high interest rates as old low-coupon debt comes to be refinanced, together with a continuing high central government borrowing requirement, would lead to continually rising total payments and, with a no wealth moderation of inflation, could reverse the trend relative to GDP."

Examining the implications of the changes for the economy and inflation will have reduced priority to other economic policy, the Bank argues that these are difficult to assess. "An increase in the debt brought about through deficit

financing makes it probable that interest payments together, future taxes will be higher than the total payments to be met each year by the authorities, which is tended to decline relative to GDP."

But the economic impact "is the subject of an unresolved academic debate—mainly on the question of how the probable future tax increase is regarded by taxpayers."

One side suggests that deficit financing can be regarded as having similar effects to taxation, but total payments and, with a no wealth moderation of inflation, could reverse the trend relative to GDP.

Others contest this view and simply that erosion of the real value of the debt by neutral—and which—ability to gather together economic policy, the Bank argues that these are difficult to assess. "An increase in the debt brought about through deficit

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Prospects

The assessment stresses, however, that the crucial time in the public sector will come at the stage when wage negotiations are being conducted, and not when, at a later stage, the resultant rise in spending could clash with the official cash limits.

In spite of these restraints, says the Bank, particular groups of workers may nevertheless be able to obtain large immediate increases in wage rates. "If that occurred, the subsequent consequences would be to worsen economic prospects in many ways—perhaps not immediately apparent or, to individual unions, sufficiently deterrent—producing slower expansion and higher unemployment."

In essence, the Bank adds, "the immediate outcome is likely to depend on the degree of restraint displayed by unions in the exercise of their influence over the wage and price level, and on the effectiveness of resistance by employers to excessive wage increases."

The Bank stresses that "a satisfactory development of the economy will require moderation in the growth both of the money stock and in costs and prices. Undue monetary expansion would risk recreating the adverse financial conditions experienced in last year from which the economy is now beginning to recover."

Underlining the role of the monetary targets, the Bank concludes: "It is therefore important that there should be a

general awareness by all concerned with wage negotiations of what the maintenance of monetary guidelines is likely to imply. The planned rise in the money stock has therefore been put at 9½ per cent, which provides some indication of how fast the wage bill may appropriately increase."

The Bank warns that if the increase in earnings were materially higher, there would be little room for faster real expansion and for reducing unemployment. Moreover, unless inflation continues to be reduced, "it also seems likely that there will be little scope for fiscal relaxation."

Commenting on exchange rate policy, the Bank draws attention to the arguments put forward for allowing the rate to appreciate because of the helpful effect this would have in further reducing inflation.

effect on domestic prices within a short time, such as a year. The Bank suggests that while the present demand for sterling could produce a short-term price breaking effect on inflation, and benefit if the pound were allowed to go up, it could have a long term as well as short run impact damaging the competitiveness of exports.

While the balance of payments effect will be masked for a period by the North Sea oil benefits, "the discouragement of traditional industries would still have dangers."

In defence of its policy of stability, the Bank concludes that "an appreciating exchange rate might exert a smaller braking effect on inflation, and have a greater impact on the balance of the economy than some recent discussion has allowed."

Bank of England Quarterly Bulletin: Volume 47, Number 3, September 1977. Available from Economic Intelligence Department, Bank of England, London EC2R 8AZ.

Oil states increase U.K. investment

THE OIL SURPLUS countries again increased their investment in the U.K. in the second quarter of the year, although official sterling holdings were reduced as a result of the \$156m. (£91m.) take-up of the Government's offer of foreign currency bonds.

At the end of June, private sterling holdings were increased by the remittance of application funds in response to the sale of BP stock. Overall, the latest figures show that their sterling investments rose by some \$200m.

At the same time, the Bank of England reports that foreign currency deposits with U.K. banks again increased by \$1.4bn.,

ESTIMATED DEPLOYMENT OF OIL EXPORTERS' SUPPLIES

The total surplus in the second quarter is provisionally estimated to have been the lowest for nearly two years.

	(£m.)	1975	1976	1977
	Year	Year	1st qtr.	2nd qtr.
United Kingdom				
British government stocks	0.4	0.2	-0.1	-0.1
Treasury bills	-0.9	-1.2	-	-0.1
Sterling deposits	0.2	-1.4	0.2	0.3
Other sterling investments*	0.3	0.5	0.1	0.1
British government foreign currency bonds	-	-	-	0.2
Foreign currency deposits	4.1	5.6	2.0	1.4
Other foreign currency borrowing	0.2	0.8	-	-
United States				
Treasury bonds and notes	4.3	4.5	2.2	1.8
Treasury bills	2.0	4.2	1.0	1.0
Bank deposits	0.4	-1.0	1.5	-1.0
Other	0.6	1.6	0.2	-0.3
Other	6.5	7.2	1.2	2.7
Other countries				
Bank Deposits	5.0	7.0	1.5	1.5
Special bilateral facilities and other investments†	12.4	10.3	2.3	2.6
International organisations	17.4	17.3	3.8	4.1
Other	4.0	2.0	0.1	-
Total	35.2	35.8	10.0	8.3

* Includes holdings of equities and property, etc.
† Includes loans to developing countries.
‡ Provisional

MP seeks reduction in Rhine troop numbers

BRITAIN MUST be ready to withdraw some of its 55,000 troops stationed in West Germany, Labour MP, Mr. Frank Allaun, urged yesterday.

Whitehall has confirmed that Britain and West Germany are on the verge of reaching a new and final agreement to offset the foreign exchange costs of the British Army on the Rhine.

Passengers, taking advantage of the summer holidays, will be entitled to full duty-free concessions and all usual passenger facilities such as bars, restaurants, buffets, lounges and gift shops.

The new fare represents a cut of £2.80 on the existing 48-hour return, which will be available until the end of the year.

Calais day trip for £5

TOWNSEND Thoresen will offer 25 adult return fares to the Continent to day-trippers on its Dover services to Calais and Zeebrugge from September 5. The fare for children will be £3.50.

The company operates up to 15 return crossings a day on the Calais and Zeebrugge routes in winter and is trying to attract greater off-peak traffic.

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Return for U.K. motor caravans

By STUART MARSHALL, Motoring Correspondent

After traumatic years, last month that by 1976 the motor caravan makers should have recovered to first period in their 5,250 units and would reach over 7,000 in 1980.

No section of the industry was as economically recession-proof as the motor caravan. It has fared better than most, its commanding position in 1972 (when 13,901 caravans were sold in Britain, 9,325, or 67 per cent, were VW based) has steadily eroded. Last year only 958 VWs were sold to the caravan makers, representing 27 per cent of a market which had shrunk to a quarter of its former size in just three years.

months, with its penetration down from 20 per cent to 11 per cent. The reason why Fiat has managed to go against the trend is that its 903 cc rear-engined panel van is so cheap. Thus the Fiat Amigo caravan costs £2,907 compared with £4,385 for the Devon Volkswagen Eurovette. Even though the Fiat is very small, it has enough room in it to swing a car's rival converter said uncharitably—it is selling service vehicles with power operated doors.

At least 80 per cent of all motor caravans are bought privately out of taxed income—the remainder go to hire fleets—

of a Daimler limousine. Devon reckons it makes a better board-room on wheels, too.

Benefiting from the Volkswagen's partial eclipse as Britain's leading motor caravan, Caravan International (Autohomes) is now considered to have 30 per cent of the total market, a share worth about £5m. a year in sales. CI (Autohomes) concentrates on the Ford Transit, which it produces in one panel van conversion and two coachbuilt versions. It says that coachbuilt van sales are going up faster than conversions because the prices are getting so close to one another.

The industry is shy of stating market shares because past claims have always been followed by counterclaims.

But after CI (Autohomes), Motor Homes International is widely thought to be second in volume, if not in value. That is because of its concentration on the low-priced Fiat van. Third in volume, though probably still second in value, is Devon Conversions. This company, part of the Renwick Group, works only on Volkswagen vehicles and makes the great majority of all VW caravans sold in Britain.

U.K. Motor Caravan Chassis market

(12 months ending May 1977)

British Leyland	9%
Ford	20
Bedford	18
Commer	3
Toyota	11
Fiat	15
Volkswagen	18
(Full year Jan.-Dec. 1976)	
British Leyland	10
Ford	14
Bedford	10
Commer	4
Toyota	13
Fiat	12
Volkswagen	27

How Volkswagen's dominance of the U.K. market has slipped

TOTAL MARKET	VOLKSWAGEN'S SHARE	
1972	13,901	9,325
1973	14,111	9,240
1974	7,482	3,218
1975	4,301	1,476
1976	3,225	958

LIKELY FUTURE GROWTH OF U.K. MOTOR CARAVAN MARKET

TOTAL MARKET	VOLKSWAGEN'S SHARE	
1977	3,100	700
1978	4,000	1,000
1979	5,250	1,450
1980	7,000	2,300

Source: Volkswagen G.S. Ltd.

Since then the fall has continued. Ford has become market leader with 20 per cent. Bedford and Fiat are equal second with 18 per cent, and VW fourth with 15 per cent.

There are three apparent reasons for Volkswagen's decline. The fall of the pound has dramatically reduced their price competitiveness. British-made chassis have improved in quality and suitability for caravans. And the all-British coachbuilt caravan (high enough to walk about in) has become as cheap as, or even cheaper than, a converted VW panel van with an elevating roof.

Toyota, too, has lost much of its market share in the last 12

months, with its penetration down from 20 per cent to 11 per cent. The reason why Fiat has managed to go against the trend is that its 903 cc rear-engined panel van is so cheap. Thus the Fiat Amigo caravan costs £2,907 compared with £4,385 for the Devon Volkswagen Eurovette. Even though the Fiat is very small, it has enough room in it to swing a car's rival converter said uncharitably—it is selling service vehicles with power operated doors.

At least 80 per cent of all motor caravans are bought privately out of taxed income—the remainder go to hire fleets—

and it is a predictably price-sensitive market. The little Fiat's success at the bottom end of the market is due to the main motor caravan buyers being forced in trade down.

Paradoxically, the top end of the motor caravan market is also showing signs of improvement. These are the large, over 23-ton coachbuilt vans like the Devon LT, a superbly equipped four-berth vehicle based on the new front-engined Volkswagen light truck and costing about £7,000. Buyers are often retired professional men planning a 1977-style Grand Tour before settling down. Devon expects to sell about 85 of these high cost, high margin vehicles this year.

Having accepted that it will not regain its former dominance of the motor caravan market, Devon is diversifying. Though

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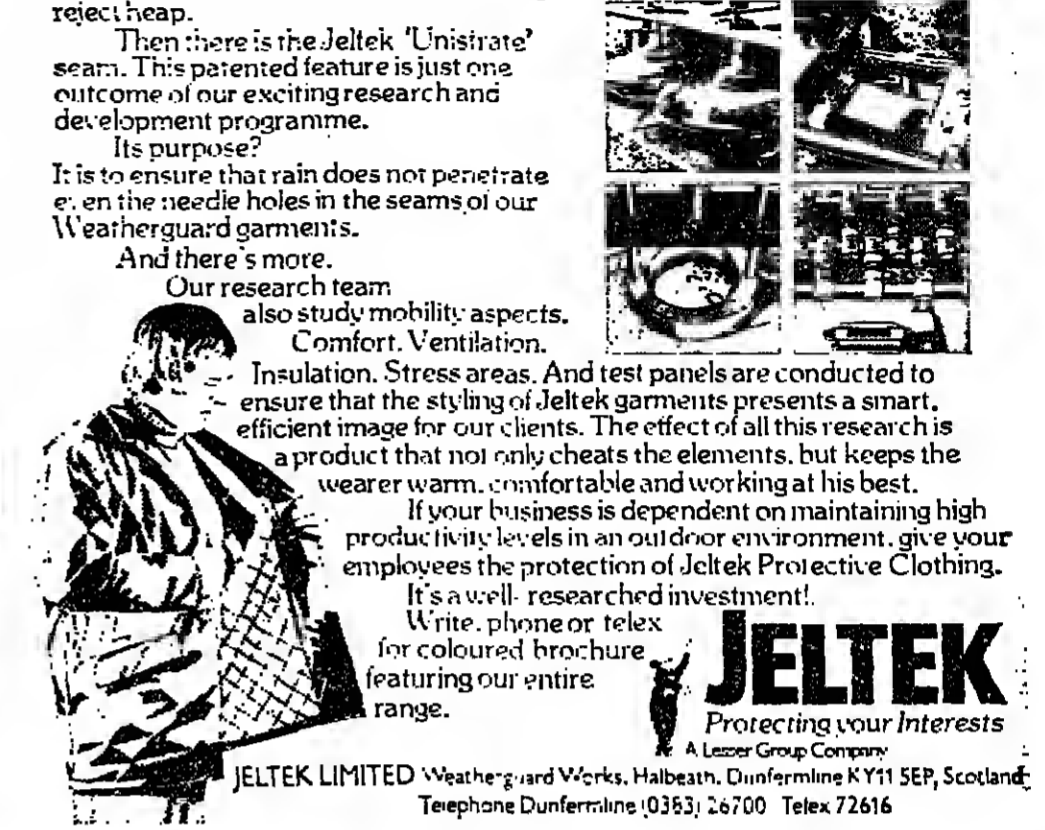
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APPOINTMENTS

Mr. A. de Boer joins Burmah Oil Board

Mr. Anthony P. de Boer has been appointed a non-executive director of the BURMAH OIL COMPANY. Mr. de Boer was a managing director of Shell-Mex and BP until 1968, and deputy chairman of Wm Cory and Son from 1969 to 1971. His present posts include the chairmanship of Aitcock Oil and the British Road Federation.



Mr. Anthony de Boer.

Mr. Victor J. A. Underhill has been elected to the Board of STERLING-WINTHROP GROUP. He was appointed company secretary in 1975.

Mr. Keith Holloway has been appointed U.K. managing and sales director of the TIMEX CORPORATION. He was previously marketing director and deputy chairman of Schweppes Ltd.

Mr. Dennis Fetscher has been appointed to the main Board of STYLO SHOES. He has been a director of Stylo Barratt Shoes since he joined the group in 1975.

Mr. Gordon Mearns, chairman and managing director of Salem Herr-Voss, has been elected chairman of the BRITISH METAL WORKING PLANT MAKERS ASSOCIATION for 1977-78. Mr. Peter Jackson, director and general manager Loewy Robert Engineering, has become vice-chairman of the Association.

Mr. Alan W. A. Battle, a director of Associated Biscuits International, has been appointed director of the BRITISH FOOD EXPORT COUNCIL. He was an original member of the Steering Committee which led to the formation of the council.

Senior appointments to the Boards of shiprepairing companies on the Tyne owned by BRITISH SHIPBUILDERS are as follows: Mr. R. E. Butler, recently appointed chief executive and managing director of North East Coast Shiprepairers, has been executive chairman of Wallsend Dry Docks. Mr. Alistair Fraser and Mr. Leslie Stockdale continue as joint managing directors of that company. Mr. Michael Pymant has been appointed as managing director of Mercantile Dry Dock to become group marketing director. Mr. William Scott, at present services general manager at Cowan Shipbuilders, will become general manager and director of Mercantile and joins the NECS main Board. Mr. Donald Akrigg, managing director of Brigham and Cowan (Hull) has been appointed to the NECS Board.

Mr. Neil Falkner has been appointed a director of SMALL BUSINESS CAPITAL, the venture capital company backed by the Co-operative Insurance Society.

Mr. N. R. P. Townsend has been appointed a director of JOHN TOWNSEND AND CO. (HOLDINGS).

Mr. Christopher Wenban has been appointed vice-president European sales of R. A. JONES INTERNATIONAL INC. Chairman, and retaining his position as managing director of R. A. Jones Europe.

NORTHROP CORPORATION has appointed Mr. Henry A. Byroade as vice-president and senior corporate executive, Saudi Arabia operations. He succeeds Mr. Benjamin F. Collins, who is retiring at the end of this year.

Mr. John D. Webster, investment manager of the Sun Life Assurance Society has become

general manager of its subsidiary SUN LIFE PENSIONS MANAGEMENT and Mr. Michael J. Turner has been made actuary of that company. Mr. Turner is pensions actuary of the parent concern.

Mr. D. S. Taylor has become a partner in KEMPT-GEE AND CO., stockbrokers. He is the firm's senior building analyst.

Mr. Robert R. King, a deputy managing director of the ROYAL BANK OF SCOTLAND, is to retire from the Bank on September 30 because of ill health.

Mr. J. Harvey has been appointed chairman of the mould and section of the GAUGE AND TOOL MAKERS ASSOCIATION in succession to Mr. H. Chance. Mr. H. Flajer is deputy chairman.

Mr. K. F. Viernetz has been appointed to the treasurer's division of the MORGAN GUARANTY TRUST COMPANY OF NEW YORK. He was previously stationed in London where he was general manager of Saudi International Bank, a Morgan Guaranty affiliate.

TYPESETTING SERVICES has made the following appointments. Mr. Christopher Sheppard, litho manager, to be a director of TS Colourscan. Mr. Michael G. Fraser-Hopewell and Mr. Peter D. Fraser-Hopewell join the Boards of TS Colourscan and D. Stevenson and Co.

Mr. R. T. Malt has been appointed director, finance and administration, for HONEYWELL U.K. computer operations based at Brentford. He will succeed Mr. R. P. Versol who is to be vice-president, finance and administration for the company's U.S. information systems group. Both appointments are effective from October 15.

Mr. J. G. Davis, a director of Kleinwort Benson, has been appointed to the Board of DFDS (U.K.). Before he joined Kleinwort Benson in February, 1974, to form its shipping finance department, Mr. Davis was with P and O for over 20 years.

Mr. A. M. R. Sylvester has been appointed a director of TTN PUBLICATIONS in place of Mr. A. G. Fergusson, who has resigned from the Board.

Mr. J. R. Bittleston has been appointed chief executive of RHM OVERSEAS and has been succeeded as chief executive of RHM Corporate Planning by Mr. D. P. Quigley, who is a director of RHM Bakeries.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Kerry Packer empire lifts profit by 57%

BY JAMES FORTH

SYDNEY, Sept. 14

THOSE international cricketers reportedly considering pulling out of Mr. Kerry Packer's "cricket circus" may change their minds again after his group's latest profit performance. Consolidated Press Holdings, the holding company for the Packer publishing and television empire, boosted earnings by 57 per cent. from \$A5.38m. to \$A8.46m. in the year to June 25. The major contribution came from the listed television corporation which operates television channels in Melbourne and Sydney. The television company, in which CPH has a 77 per cent. interest, lifted its profit from \$A6.15m. to \$A9.34m. The publishing arm, Australian Consolidated Press, wholly owned by Television Corporation, increased its profit from \$A1.95m. to \$A3.43m. The major publications of ACP are the weekly magazine The Bulletin, the Australian Women's Weekly, Congress Printing, wholly-owned by ACP, in turn boosted its earnings 47 per cent. to \$A603,000. The result includes a loss of \$A553,000 on foreign exchange as a result of last November's devaluation of the Australian dollar, and represents a change in accounting policy. However, it is offset by an over statement of \$A497,000 in the earnings for the first half because the results were not adjusted to allow for the recent increase in the national company tax rate from 42.5 per cent. to 46 per cent.

Melbourne Age profits soar

DAVID SWIRE and Co., publisher of the Age newspaper in Melbourne, has lifted dividend and is making a one for one scrip issue following a 95 per cent. profit jump in the year to June 30. Earnings rose from \$A1.5m. to \$A2.9m., on a 21 per cent. increase in sales to \$A55m.

The profit increase boosted the company's return on shareholders' funds from 7.7 per cent. to 13.4 per cent. Dividend is effectively raised from 10.5 cents a share to 13.5 cents, with a final of 3.75 cents, payable on shares from the scrip issue. The directors said the issue was decided upon because, in view of planned further expansion, it was desirable to increase the company's capital in line with asset values and the level of operations.

46% half year rise at Swire Pacific

By Daniel Nelson

HONG KONG, Sept. 14

TWO SWIRE GROUP companies announced good results today—a post-tax profit of \$HK\$5m. for the half-year to June comes from Swire Pacific—up 46 per cent. from \$HK\$3.4m. in the comparative six months of 1976—and a \$HK\$60m. post-tax profit for the same period by Swire Properties.

Swire Pacific, which in July announced that it was concluding negotiations to buy a Coca-Cola bottling franchise in Saito Lake City, Utah, for about \$HK\$70m.—its first venture into the U.S.—declared a dividend of 10 cents on A shares and 2 cents on B shares, on capital enlarged by the recent one-for-five scrip issue.

The interim dividends for 1976, adjusted for the scrip issue, were 7.5 cents and 1.5 cents respectively. The directors report that all divisions had a successful half-year and describe prospects for the next six months as "encouraging." They anticipate that final dividends will be at least double the interim.

Swire Properties' interim dividend is 6.5 cents as forecast in the document which accompanied the recent public offer of 55m. Ordinary shares. Earlier this year the director anticipated total dividends of at least 18.5 cents an Ordinary share and a consolidated profit of at least \$HK\$35m. for the year ending December 31.

Profits projected from the sale of an interest in land he developed under stage four of Tseung Koon-o, a 53 acre development on Hong Kong Island with a planned residential area of 9m. square feet—have been incorporated in the half-year figures—in a statement accompanying today's figures. The directors reiterate these forecasts.

The second half will benefit from the acquisition at the end of June of Sutherland Properties from Cheung Kong Holdings.

U.S. SECURITIES INDUSTRY

Facing the revolution

BY STEWART FLEMING IN NEW YORK

WHILE MEMBERS of the London Stock Exchange worry about the fading of new issues and the competition from alternative methods of raising shares, they can at least console themselves that they are not facing the revolution in the structure of share markets which threatens to replace the New York Stock Exchange with an "over-the-counter" market (OTC).

Under pressure from the Securities and Exchange Commission, the U.S. securities industry is being pushed towards adopting new regulations which could eclipse the auction market floors operated by the NYSE, the American Stock Exchange and stock markets in other cities.

To anybody who has followed the history of the Over-the-Counter market, such a development would be hard to credit. A decade ago, at the height of what came to be known as the "go-go years" on Wall Street, the Over-the-Counter market was a scorned competitor in the august New York Stock Exchange.

What is loosely referred to as the Exchange Commission, the agency set up after the great significance in the U.S. crash of 1929, to regulate the nursery in which small growing U.S. securities industry. It must companies have, initially had, also meet the regular reporting requirements of the SEC in before graduating to the more prestigious Amex or NYSE.

For London, the parallels are far from precise, but the warning of too conservative, traditionalist and self-interested an approach to the future are there.

The structure of U.S. share trading is much more complex than in the U.K., at the risk of oversimplification the U.S. market can be divided fairly neatly into two types. There are the auction stock exchanges such as the NYSE, the Amex, or the Midwest Stock Exchange, where brokers execute orders as agents for their customers with

specialists on the open trading floor, and there are the Over-the-Counter markets. The division is not in reality quite this neat. For example, a "third market" also operates, on which some NYSE Securities Dealers, and known as the Coueter.

The essential distinction between the auction market and the Over-the-Counter market is that in the OTC there is no stock exchange floor and the puter terminals and trade the

Many large companies, particularly until the 1970s, preferred to have shares traded over the OTC market and move to NYSE. Many large corporations prefer to remain OTC. The OTC is index of the NYSE and the OTC changes. It is thus a risk factor, and is now becoming formidable threat.

The NYSE still has a strong reputation. A big board has prestige and the small companies with such things as non-voting common stock, ensure the quality of the security. It also has a "tape" showing up-to-the-minute transaction, its size, price, to try and make the best as far as possible as an investor and another.

It is recognised, however, that the OTC poses regulatory problems outside the small companies outside NASDAQ system but at NASDAQ itself.

It is not particularly surprising if you have the necessary capital, to register as a dealer, and where a stock is acting as principal, just for a commission, the price to try and make the best of interest which need monitored.

Many of the smaller companies traded Over-the-Counter, classified as rank and file and some have proved frauds.

To try to meet these needs, the Securities and Exchange Commission has authority for enforcing securities laws and setting standards for issuing stock on the OTC. The market itself is regulated by the National Association of Securities Dealers, under ultimate authority of the SEC. If it is not satisfied the agencies have done a good enough job, the U.S. always turn to the courts, precisely what many U.S. shareholders do.

Counter market however there is a narrower computer-linked market regulated, under the ultimate authority of the SEC, by the National Association of Securities Dealers, and known as the NASDAQ system. In terms of number of shares traded the NYSE is now second only to the New York Exchange.

Securities dealers who join that in the OTC there is no stock exchange floor and the puter terminals and trade the

Now, however, the computer, tighter regulation, a growing awareness on the part of the investing public and greater disclosure have transformed much of what is loosely termed the Over-the-Counter market to the point at which it can be seen as a blueprint for a new epoch in share trading.

For London, the parallels are far from precise, but the warning of too conservative, traditionalist and self-interested an approach to the future are there.

investor may be buying shares, 2,500 equity issues of companies which his broker acting as an agent for him.

What is loosely referred to as quotation on the computer market is a far more complex net-work than is popularly recognised. There are probably around 20,000 different ordinary shares traded publicly on the Counter market because the OTC market, simply any company with the qualifying value saved to make markets in the Exchange Commission, the agency set up after the great significance in the U.S. crash of 1929, to regulate the nursery in which small growing U.S. securities industry. It must companies have, initially had, also meet the regular reporting requirements of the SEC in before graduating to the more prestigious Amex or NYSE.

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Australasian insurance growth

BY OUR OWN CORRESPONDENT

FOUR major insurance companies today report sharp gains in profits including a massive \$A5.6m. recovery to \$A6.6m. at Commercial Union Assurance of Australia and an increase from \$NZ\$5m. to \$NZ\$11m. at South British Insurance.

A sharp reduction in CUA's loss on underwriting was the main reason for the recovery: this fell from \$A9.64m. to \$A3.64m. Investment income, on the other hand, rose from \$A9.9m. to \$A11.35m.

The recovery reflects considerable reorganisation of CUA over the past three years. In 1973-74 and 1974-75 the group ran into heavy losses.

The life department had a busy year, writing \$A135m. of new business against \$A113m. in the previous year. Total premiums, less reinsurance with the parent, dipped from \$A78m. to \$A75m. The turnaround encouraged the directors to declare a final dividend for the

year of 25 cents a share—the first payment since 1973-74. In addition to the record profit, CUA has written back \$A1.5m. into profits, arising from a successful appeal against a decision by the taxation department. But the taxation authorities have now appealed against this decision and it will go back to the court.

The result equals earnings of 23 cents a share compared with 4 cents in 1975-76. As a result of its higher profits, South British Insurance has increased its dividend from 20 cents (NZ) to 22.5 cents compared with 16 cents in 1975. Smith British has also come up with a scrip issue—on a one-for-five basis. The directors said that provided underwriting profits did not fall below the 1977 level they expected to maintain the higher dividend on the increased capital.

Underwriting profit in the past year doubled from \$NZ\$1.4m. to \$NZ\$2.38m., while investment income rose from \$NZ\$9.15m. to \$NZ\$10.95m. Life premium income, net of reinsurance, rose 21 per cent. to \$NZ\$16.3m. Fire, accident and marine premiums rose only 3.6 per cent. to \$NZ\$167.6m.

Edward Lumley, formerly Security and General Insurance, boosted profit 9 per cent. from \$A5.95m. to \$A6.49m. The directors also decided upon a three for ten scrip issue following on a one for five scrip issue last year. Lumley has held its payout at 7.5 cents a share, and expects to maintain this rate next year on the increased capital. Group premium income last year rose 14.3 per cent. to \$A162m. Pacific General Insurance boosted profit by 38 per cent. from \$A1.49m. to \$A2.07m. Dividend is maintained at 12.5 cents a share, but is paid on capital increased during the year by a one for two scrip issue. Earnings per share rose from 28 cents to 38 cents

TOKYU DEPARTMENT STORE CO., LTD. U.S. \$15,000,000 6 per cent. Convertible Bonds 1992. Includes list of international banks and financial institutions.

Increases for plantation companies

BY WONG SULONG

KUALA LUMPUR, Sept. 14

TWO OF MALAYSIA's bigger plantation companies—Highlands and Lowlands—and Guthrie also reported substantial increases in profits for the first half of this year due to buoyant prices for their commodities. High and Low's pre-tax profit up to June this year was \$23.5m. Ringgits (\$5.5m.), which is 42 per cent. higher than for the first half of last year, while pre-tax profits of Guthrie rose by 155 per cent. to \$3m. recovered from the bad drought of last year which resulted in paying 5 per cent. (4 per cent.)

In the case of High and Low, palm oil production declining by 10 per cent. for the first half of this year, palm oil output increased by 27 per cent. and with higher prices, the company's revenue from palm oil rose by 72 per cent. Rubber output rose marginally to 2.8m. kilos, but receipts were 12.7 per cent. higher, at 6.1m. Ringgits.

High and Low is declaring a 3.55 Ringgits per-tonne dividend. As for Guthrie, the company has 25 per cent. interim dividend of 10 per cent. (10 per cent.) in 1977, while Guthrie is paying 5 per cent. (4 per cent.)

SELECTED EURODOLLAR BOND PRICES

Table with columns for bond types (STRAIGHTS, NOTES), maturities, and prices. Includes sub-sections for MID-DAY INDICATIONS and CONVERTIBLES.

Profit up at SWAFIL

By John Stewart. CAPE TOWN, Sept. 14. ALTHOUGH THE South African inshore fishing fleet has just completed worst season in 15 years, landings of about 10,000 tonnes out of a permit catch of 240,000 tonnes. SWAFIL'S (SWA Fisheries Ltd.) pre-tax profit at the halfway mark is \$2.8m. Earnings per share advanced to 55 cents (50) and the company expects a 100 per cent. increase for the year to be \$1.00 (100 cents), a most encouraging outlook when measured against its production. SWAFIL is a member of SEASWAS and SWAPROM.

Corporación Estatal Petrolera Ecuatoriana (CEPE). U.S. \$33,600,000 Seven Year Loan. The Republic of Ecuador. Grindlay Brands Limited, Libra Bank Limited.

مكتبة الأصيل

Morgan Guaranty reports on "Transactions in Securities of the City of New York"

On August 26, 1977, the Securities and Exchange Commission issued a staff report entitled "Transactions in Securities of the City of New York."

The report claimed that five major banks (including Morgan Guaranty Trust Company), while underwriting New York City notes, "followed a policy of trying to reduce or eliminate their own holdings in City notes by sales and by not reinvesting in new issues the proceeds obtained by them from redemption of maturing issues."

In news media and political speeches this was interpreted as: "Banks dumped their own holdings while selling notes to investors."

Did we "dump"?

Here are the uncontested figures that show Morgan Guaranty's investment holdings of New York City notes during the period covered by the SEC staff report:

September 30, 1974	\$ 51,100,000
October 31, 1974	51,100,000
November 30, 1974	51,100,000
December 31, 1974	51,100,000
January 31, 1975	50,000,000
February 28, 1975	50,000,000
March 31, 1975	148,000,000
April 30, 1975	98,000,000

The amount went down (by 2%) in January because \$1,100,000 of notes matured and were paid off. It went up in March when we purchased \$98,000,000 of new notes. It went down in April when \$50,000,000 matured and were paid off, but at the end of April it was still nearly double what it had been at the start of the period.

During the whole period, we didn't sell any New York City notes from our investment holdings.

These facts and figures prove that we didn't "dump." They also prove that we didn't follow the policy the SEC staff report attributed to us.

Confidence in the City

The record of our investment holdings shows the confidence we had that New York City would survive its financial crisis. That confidence never wavered all the while news accounts were almost daily telling of the City's fiscal problems—debates about budget deficits, budgetary "gimmicks," special accounting practices, operating expenses in the capital budget, to name some of the most prominent.

The confidence we had that the City would pull through was the reason Morgan Guaranty continued underwriting the City's issues while the market remained open to them. In July 1975, after the City had lost access to the public market, we managed the syndicate that underwrote and marketed the first issue of bonds of the Municipal Assistance Corporation (MAC)—a \$1,000,000,000 issue that gave MAC funds to help tide the City over the summer.

In November 1975, as part of the arrangements that brought Federal credit assistance to New York City, we and other banks extended the maturities of the City notes we held. We also accepted a reduced rate of interest on them and on the MAC bonds we had bought.

By the end of 1975 Morgan Guaranty's investment holdings of City notes and MAC bonds totaled \$186,600,000. Today we still own \$83,800,000 of City notes and we own \$105,000,000 of MAC bonds. We and other New York City banks have

agreed to exchange our City notes for long-term MAC bonds and to extend the maturity of the MAC bonds we bought in 1975. This agreement, concluded in August 1977, will substantially ease the City's burden of debt service.

The City survived

Committing the bank's money, underwriting securities, working hundreds of hours with City, State, MAC, and Federal officials to meet one crisis deadline after another—these were among the ways Morgan Guaranty joined in the effort to save the City.

The effort succeeded. The City survived those very difficult times.

What about the notes?

And what about the notes which the banks, along with the investment bankers, underwrote? Of those bought by the public, any not already matured and paid were subject to the moratorium enacted by New York State in November 1975, which was declared unconstitutional in November 1976. As of today, all of the notes bought by the public have been paid, or are to be paid within the next six months, or have been exchanged for currently marketable MAC securities.

ELLMORE C. PATTERSON
Chairman of the Board

WALTER H. PAGE
President

September 12, 1977

Morgan Guaranty Trust Company of New York

23 Wall Street, New York, N.Y. 10015

INTERNATIONAL FINANCIAL AND COMPANY NEWS

DUTCH NEWS

Bols earnings up sharply

BY MICHAEL VAN OS
AMSTERDAM, Sept. 14.
LUCAL BOLS, the Dutch distil- 2,500 jobs to be lost, 1,900 would be lost and drinks group, saw its first half profit before tax and extraordinary charges and income jump to Fls.12.2m. from Fls.3.3m. in the same period of last year. The Board points out, however, that the increased earnings are not representative of the full year in view of the highly seasonal nature of the group's activities and the inclusion of the recently acquired Swiss-Italian Cynar drinks group. The Board would not say to what extent earnings and sales had been affected by the Cynar consolidation. Looking ahead, it said that this year's profit per share was expected to be up on that of 1976 when it amounted to Fls.5.86 (adjusted for the 40 per cent bonus issue). The Cynar take-over has raised the Bols ordinary share capital to Fls.35.1m.

Dutch energy venture talks

By Our Own Correspondent
VMF-STORK AND RSV, the two troubled Dutch industrial concerns, have disclosed they are having exploratory discussions on co-operation in energy systems, components and services. The Dutch Ministry of Economic Affairs is partner in the talks.

Hoogovens cuts workforce

By Our Own Correspondent
HOOGOVENS, the Dutch arm of the ironmaking Dutch-German steel combine Estel, said today that it will be forced to reduce its work force by 2,500 by about 2,500 in the next two years. The actual number of forced redundancies could total 1,000. The Board said at a press conference in Maastricht this evening that the bad situation on the international steel market, which so far had lasted for more than two years, had brought Hoogovens in an "unacceptable loss situation". The economising programme of the past few years had been insufficient to counter this situation which, it was added, was "subject of discussions with the Dutch economic ministry in The Hague. The Board said that of the

GERMAN COMPANIES

VW increases home market share

BY GUY HAWTIN

VOLKSWAGEN, the West German motor manufacturer, increased its share of the domestic market by 4 per cent, during the first eight months of the year. The group, West Germany's largest motor manufacturer, now controls 31 per cent of its home market. Financial Director Toni Schmuecker, the VW's chief executive, said at the Frankfurt Motor Show preview today that the concern's deliveries of vehicles had risen by 26 per cent during the same period to 593,000 units. In European markets, he said Volkswagen achieved a clear growth rate of 15 per cent, selling some 309,000 vehicles. In the U.S., it profited, as did other foreign producers, from the boom in import demand stemming from President Carter's energy conservation plans. VW deliveries in the vital U.S. market rose by 29 per cent to 210,000 vehicles - cheering news for the group which, for the past several years, has seen a steep fall in U.S. sales. Mr. Schmuecker said he was particularly pleased with sales of the Rabbit, which is the American name for its Golf model, and which showed the highest rate of sales growth. The Rabbit for which Volkswagen is setting up an assembly plant in Westmoreland, Pennsylvania, saw its sales increase by more than 50 per cent to 115,000 units. This brings the model's sales in the U.S. closer to the production capacity planned there. Worldwide, VW January to August deliveries totalled 1,567,000 units - 1.5 per cent more than in the same period of last year. The increase in

handicap in the cost sector within limits by further rationalisation of all aspects of the organisation. We need agreement that rationalisation investment is not to be seen as a method of destroying jobs, but as a pre-requisite for the maintenance of competitiveness and thus the assurance of jobs. We must, furthermore, see to it that our products have the advantages which the customer is prepared to pay for at the higher price." Stuart Alexander adds: The company confirmed that it is continuing development work on a turbo-charged diesel engine for small cars. A prototype has been sent to the United States for evaluation, particularly for the omission controls, and further work is being done in Germany. In a show where the accent is on medium and upper-price cars, Mercedes unveiled two new models, one purely experimental, the other in commercial production. Its hydrogen-powered car follows an earlier similar project with a turbo engine, but the power unit again is purely experimental and unlikely to be put into early commercial production. Mercedes has, however, added an estate car to its range of vehicles and this was on its stand at the show.

DM10bn. orders at Krupp

BY ADRIAN DICKS
BONN, Sept. 14.
THE KRUPP Group reported today a 3 per cent rise in its order book to a new total of DM10.3bn. during the first six months of this year, with widely differing results from the main branches of the group's activities. In spite of the total rise in work in hand, the company warned its employees today in the latest issue of the Krupp works newspaper that jobs could not be guaranteed in all areas of the group's machinery, machine tool and industrial plant business. New orders received during the first six months, however, showed a 21 per cent increase over the same period of 1976, at DM5.5bn. Much of this large increase was accounted for by the consolidation into the group of Stahlwerke Suedwestfalen, although

AMERICAN NEWS

Westinghouse's uranium suits

BY STEWART FLEMING
NEW YORK, Sept. 14.
THE TRIAL of 10 suits brought against Westinghouse Electric by public utilities with whom the company terminated long-term uranium supply contracts has opened in Richmond, Virginia. The suits stem from a decision by Westinghouse, one of the nation's largest electric and nuclear power plant manufacturers, on September 8, 1975, to terminate contracts for the delivery of 80m. lbs of uranium to 27 electric utilities with nuclear plants. The company asserted that it was short of 65m. lbs of uranium and that because of a three-fold increase in price of the fuel it would cost the company \$2.6bn. to meet the contracts, a burden which was "commercially impracticable." As a result of this dispute, it is alleged that a world-wide uranium cartel operated a "concerted boycott" against the company. Westinghouse itself has filed a suit against 29 U.S. and foreign uranium producers, making these allegations. The electric utilities to whom Westinghouse failed to deliver the uranium are alleging that the company failed to deliver because of "mismanagement" and "wild speculation" charges denied by Westinghouse yesterday. Although it is possible that the trial could go on for months, three other utilities that had sided with the company settled out of

Austrian bank option financing

By Jeffrey Brown
AUSTRIA'S largest bank, the State-owned Creditanstalt-Bankverein, is to raise Sch.750m. - some £26m. - at the end of this month by the issue of a non-call three-tiered bond. Two-thirds of the issue are earmarked for two tranches of conventional fixed interest loans, one with a life of six years and the other 15 years, and redeemable annually in 15 equal instalments. Both will carry an 8 per cent coupon and the medium term money will be priced at 98 1/2. Last night dealers in Vienna expected the longer term applications to be priced 98 1/2. But it is the issue's third tranche, involving Sch.250m., that gives the bank's funding its unusual appearance. This carries the option to convert into Creditanstalt Preference shares. News of the financing pushed the Preference shares down two points to 283 yesterday. The conversion premiums are 18 per cent for 1978 rising to 19 per cent for 1982 and to 25 per cent for investors determined to wait until 1987. Net sales of French bonds in July this year rose to Frs.2,454m. from last July's Frs.1,534m. So far the first seven months of this year, net issues of bonds, at Frs.26,024m. were 33 per cent above the Frs.19,500m. issued net of redemptions in the same period of 1976.

BANK OF ENGLAND QUARTER

Contrasts in Euroborrowing

BY MARY CAMPBELL
THE VOLUME of newly announced medium term Euro-currency credits fell to the second quarter of this year according to figures in the Bank of England's latest Quarterly Bulletin. It amounted to \$81bn. in the second quarter down from nearly \$90bn. in the first. In contrast, the volume of international bond issues increased sharply in the second quarter - to \$88bn. in the second quarter from \$61bn. in the first. The Bank of England says that only limited information on developments in the Euro-currency market as a whole is as yet available. The information comes from the Bank for International Settlements which has not yet published its second quarter figures. As far as the London market was concerned, the main development was that after almost two years, the shift by Eurocurrency depositors into short term deposits has reversed itself. While London banks total Euro-currency deposits rose by over \$10bn. in the three months to mid-May, deposits which could be withdrawn within eight days fell by \$1.1bn. The shift out of very short term deposits was probably associated with the firming of interest rates, the bank says, which encouraged depositors to arrange longer maturities. On a net basis, the trend is even more clear - not only did depositors shift from very short to slightly longer term deposits

Gotaverken first half loss of Kr.268m.

BY WILLIAM DUFFORCE
STOCKHOLM
GOTAVERKEN, the Swedish made by the Erik shipbuilding concern, taken over by the State earlier this year, reports a loss of Kr.268m. (£31.5m.) for the first half. Turnover was Kr.2,190m. (£258m.) compared with Kr.1,550m. in the previous half. The loss does not take into account the State price guarantee on those ships Gotaverken is building on its own account. Rules for this State support system have not yet been finalised by the management. It estimates that it will involve a guarantee of Kr.214m. for the first half, reducing the company's loss to Kr.54m. This includes exchange losses put at Kr.146m. and compares with a profit of Kr.9m. recorded during the second half of 1976, when exchange adjustments helped the concern recover loss. The concern's first half, while its losses were also its loss, is reported to the State to cover the losses some profit.

EUROBONDS Dollar sector steady

BY MARY CAMPBELL
DESPITE THE prime rate rises and further rises in Eurodollar rate, the dollar sector of the Eurobond market stabilised yesterday after its three-day shake-out. Prices were more or less unchanged on the day, dealers said, in active trading. The European Coal and Steel Community issues picked up slightly yesterday. After falling to lower levels than Monday, the course of the day's trading ended between 94 and 98. A strong feature of the market was again the British issues, 8 1/2 in yield 9.06 per cent

ITALIAN NEWS Unidal may be rescued

THE ITALIAN Budget Ministry has told union leaders that the Government will reconsider its decision to close the bankrupt state food group, Unidal Spa, a union announcement said on Wednesday. AP-DI reports from Rome. Using a new sort of semi-liquidation, according to the union communiqué, the Government will go ahead with the formal disbanding of the group on September 23, as planned. However, the Government has promised to keep the Unidal plants "provisionally" in operation, to keep the current staff employed and to refrain from selling off any assets until December 31. The statement said "Unidal" resulted last year from the merger of two of Italy's best-known food concerns, Alcamagra and Milla. In the first year of operation Unidal lost L230m. net sales of L294m. By December 31, the Govern-

Table with columns: VONTobel EUROBOOND INDICES, PRICE INDEX, DM Bonds, etc.

F. E. C. S. A. FUERZAS ELECTRICAS DE CATALUÑA SOCIEDAD ANONIMA. THE PAST The 25th Anniversary. THE PRESENT Summary of 1976 Annual Report. The Annual General Meeting.

Natomas sees dip after peak

Financial Times Reporter
RECORD EARNINGS for Natomas Company this year, but a decline in profits next year, were predicted in London yesterday by Mr. Dorman L. Commons, president and chief executive of the company. He was speaking on the occasion of the flotation of Natomas' first Eurobond issue, which will take place on September 21. Natomas reported net income of about \$39.2m. in the first half, up from revenues of \$29.1m. Mr. Commons said the outlook for the second half had improved from his earlier estimates, so that sales and earnings should be roughly the same as the first half. This gives a figure for net income in 1977 as a whole of about \$78m., compared with \$57 m. in 1976. Natomas probably would not be able to sustain this level of income next year, Mr. Commons said. He expected Natomas' oil production in Indonesia to taper off. Approximately 63 per cent of Natomas' income in the first half came from operations outside North America, mostly in Indonesia. By next year, however, the proportion derived from operations outside the U.S. and Canada would be less than half the total. Mr. Commons added, however, that he has been assured by Indonesian authorities that they would allow oil exports to be priced competitively so that Natomas would have no real problem on oil if lifted in 1975. The company's earnings were adversely affected by the Indonesian authorities imposing higher prices than those prevailing on world markets with the result that the company's Indonesian oil production declined. Details of Natomas' \$30m. Eurobond issue appeared in the Financial Times Eurobonds report on Monday.

Refund order on Gulf Oil

By Our Own Correspondent
AN APPEALS COURT has ruled that Gulf Oil defaulted on a contract to supply natural gas in Texas Eastern Transmission, and upheld a Federal Power Commission order that required Gulf to make an apparently large refund to the utility. The case arose out of a contract between the two companies under which Gulf, according to the Appeals Court, "warranted" deliveries of 625m. cubic feet of gas a day in 1964. Within a few years, however, Gulf found that it overestimated the reserves in the gas field it was tapping. The Court found that since 1973 deliveries had fallen short of Texas Eastern's demand. The Court upheld an order which would permit Gulf to recoup the refund it is required to make through surcharges on later gas deliveries. A Gulf spokesman said the company planned to petition for a rehearing of the Appeals Court decision.

Hudson's Bay Oil

CALGARY, Sept. 14.
HUDSON'S Bay Oil and Gas today declared a 38 cent per share dividend on its common shares. This dividend, which is for the third quarter of 1977, is payable on October 23. Heinz dividend PITTSBURGH, Sept. 14. H. A. HEINZ Co. has increased its quarterly dividend to 36 cents from 30 cents. The payment is due on October 10.

THE PHILIPPIN INVESTMENT GROUP. Weekly net asset value on September 12th, 1977. Tokyo Pacific Holdings N.V. U.S. \$ 40.65. Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$ 25.6. Listed on the Amsterdam Stock Exchange.

BANK OF EUROPE
Contract Eurobond

BOOKS

Deepening mind

BY C. P. SNOW

his generation who could have started it so well. This country isn't very good at making maximum use of men of unusual, versatile and disconcerting gifts. Particularly in the case of Rohschild, he is not the apparent devil-may-care self to behave as he does. He doesn't come across as a special adviser to a run of Presidents. He has never really had a direct executive power, as he is allowed to influence. Power may be a phantom, which politicians imagine they have and actually don't. It would have been interesting, however, to see what Rohschild would have done with it.

If in power, his privileged origin would have been, by and large, a handicap. The uses he has made of privilege are mildly comic, and irrelevant to his successes. He is a connoisseur and collector of rare books. He has played first-class cricket. When he wanted some advice, he turned to the most exalted authority—want, a bit of help with physics, oh well. Einstein might do (that didn't happen but there are some examples in this book of a comparable kind).

The statements which have stuck to the title means that Rohschild has been an agent behind other people's broom-sweeping—his own, as well as others. He begins as a short autobiographical chapter, a confession, but a briskly honest record. Readers will wish that this chapter had been longer. He continues by refusing a number of his own country's addresses on the subjects of life, science and industry, pure and applied, and the Nation's Business. Rohschild Tank and the Nation's Business only person of

writes abnormally well. If he had written in politics-official double talk, no one would have been certain what he meant. This time they did.

In retrospect, it is something of a pity that his critics weren't familiar with a lecture he gave to the Imperial Defence College some years before the Rohschild Report came out. This lecture, Science and Industry, was a description of how research at Shell was organised, and the lessons that could be applied to national affairs. Shell is one of the most effective organisations on earth, and it is clear that after his experience there many of our State activities struck (and continue to strike) Rohschild as both punereal and amateur. He was right to drive the lessons home. My own view is that his model of applied research is 90 per cent correct, but a shade too tidy. He ought to have left a few more escape channels for the accidents of science. I still can't see how nuclear energy would have emerged through his procedures without intolerable delay. In fact, in this country, the U.S.A., the Soviet Union, the initiative came entirely through eminent scientists making direct contacts with heads of State.

It wasn't realised at the time, but it should now be apparent from passages in this collection, what was the passionate driving motive behind the Rohschild Report. Its tone was impatient and in places scornful. Rohschild is better known as a full-time scientist, but he was deeply concerned for his country. He was certain that we were doing important things casually and wrong. As an elder statesman, he still thinks so and is trying to tell us that it will soon be too late. I wish I could believe that people will listen to him.



Ethel Irving making up her face to the dismay of her young admirer in Maugham's 'Lady Frederick'—the episode is recalled in 'Somerset Maugham', a new pictorial biography of the writer by Anthony Curtis (Weidenfeld and Nicolson, £4.50)

RAF strikes hard

BY MICHAEL DONNE

Fighter by Len Deighton (Jonathan Cape, £4.95, 304 pages)

The Battle of Britain has already spawned many books, and some films, and had, and doubtless many more will emerge as the participants die, the emotions fade, and the event comes to be regarded increasingly dispassionately. The lighter light of history Mr. Deighton is better known as a thriller writer, but although he has produced serious works previously (for example, his study of the British wartime bombing offensive in *Boomber*), he now turns his attention to a much more emotive, much better documented, and much more widely explored arena—one of the most apocalyptic periods in the history of this country, despite the efforts of some who did not participate to denigrate the importance of that battle, in the late summer of 1940, upon which turned the fate of the Second World War, and with it the future of this country.

Fighter is compelling reading, as one would expect from a writer of Mr. Deighton's powers. But, at the end of it, one is left with a feeling of disappointment, not because of what Mr. Deighton has left out, but because he has attempted too much, with the result that his coaxes become too cramped. He tries to get behind the scenes of the battle, with analyses of the up-to-date of the technical drawings and maps as so small as to be worthless—indeed, a larger format for the book as a whole would have been beneficial, especially since many of the illustrations are excellent and deserve more space and even more comment than they are already given. But for all that, *Fighter* is a professional attempt to compress into one comparatively small volume one of the most vital and brief periods of European history with all its technical complexities. It cannot be regarded as the definitive work on the subject, but it is fuller than many others that have come before, and should be welcomed for that alone.

Tolkien's return

BY HUMPHREY CARPENTER

The *Silmarillion* by J. R. R. Tolkien, edited by Christopher Tolkien, Allen and Unwin, £4.95, 365 pages

Individual writers do not, on the whole, invent mythologies, let alone creation myths; which is why *The Silmarillion*, the posthumously published work by Tolkien, will probably amuse a lot of people.

Tolkien would not have cared for the book was not really meant for public consumption. He began work on it during the First World War, when the languages he had invented as a kind of philological game (the *Anglo-Saxon* scholar seemed to demand some kind of history to explain their origin. From there grew an immensely complex body of myth and legend, written down by him but not believed, invented by him: he felt he was merely recording something that was already there. Indeed as a Catholic, a profound believer in the heavenly hierarchy, he saw *The Silmarillion* not just as a human artefact but as an attempt by one of God's creatures to recapture a glimpse of the true light that had somehow been extinguished by his imagination.

As in its publication, that was a mere accident. The myths and legends of the *Silmarillion* have since branched off, several branches, three based on it or suggested by it, and when two of these branches, *The Hobbit* and *The Lord of the Rings*, became best-sellers, a large public clamour for the parent book to be published too. But Tolkien died in 1973 before completing the ordering of the many and often contradictory manuscripts of *The Silmarillion*, a work that he began in 1917. Christopher has done the necessary editing (with great skill) now here at last the book is available. People who expect another *Hobbit* or *Lord of the Rings* will be non-plussed. There are no white rabbits, no gnomes, no Gandalf, no Gollum, no rings or even some continuous story; for this account of "Middle-earth" from before its creation until the conclusion of the Third Age involves many strands of history, mythology, and the sense of depth and reality which is largely gone. Instead, the book must be read for what it is: a man's view of existence, which appear on every page in a profusion of splendid names.

Undoubtedly a lot of people will believe devoutly in the Fall of Man and original sin; but one does not realise quite how far fallen he considered Man to be until one reads *The Silmarillion*. Admittedly many of the principal characters are not men but elves, but this is little more than a technical distinction. His elves are not the fairies of nursery literature, but (in effect) men

Got a work? Christian debate continues

ANE FOX

able preachers of the Gospel to His disciples, Jesus was believed by all and in all. They believed He had also risen from the dead, and they had seen Him alive.

In this great moment, a period whose confidence would burst out in a world mission, why do we discount the powers of heart and tongue, of feeling and hymn, powers which put us to dogmatic precision? I would have reached Paul's conclusion in less than three hours. I think, had I been a first-century Jew who had followed Jesus and thought that he had seen the first Resurrection appearance. Frankly, I do not need Prof. Moule's pedestrian tour through the same "old titles" to tell me to consider the possibility of a "developmental, post-Easter Christology". The disciples, of course, never had a "simple" belief. Nor did Jesus, and the matter was not primitive Kerygma and Ruler-parallel. There never was a "ology", let alone a Christology, a word which ought to be buried.

It follows from this, not un-naturally, that we cannot set the Gospels against Paul or against each other, hoping to find a point when Jesus was not assumed to be Son of God by the author of a text. Nobody ever quarrelled in those years about the theology. No Christian was ever attacked by other Christians for "introducing" the doctrine of the Incarnation. Paul was not to blame. I leave the theologians to their hunt for primitive or possible kerygma and turn only to what our New Testament tells us. There is no new evidence. Relevant texts are very few and familiar. But it is the singular merit of the worst of these two books that the two central essays

which discuss fundamentals discuss them inaccurately and in fear are therefore without worth or authority.

Frances Young would have started the great Adolf Harnack by telling him that the Incarnation is read into, not out of, the Pauline Epistles. Harnack thought Paul over-played it: Miss Young simply brushes into a devout footnote the major texts (not only Phil. 2, 5-6) in which Paul states it very firmly.

As for Michael Houlder and his Samaritans, he has a rare talent for appealing to the texts which best refute his case. Nathaniel came from Cana, not Samaria; Simon Magus, the power of God called Great, is not to be explained by 4th century texts of the possible Samaritan origin; the Hebrews of whom Paul speaks at Corinth are hardly Samaritans. "Are they Hebrews?" So an 11th runs the text. Paul was no man of Samaria. The theory that Samaritans introduced the Incarnation is not, as very contriturers call it, "a very good example of the kind of reconstruction which is possible". It ignores, repeatedly, what the Bible actually says. It does not recognize the limits of historical scholarship. The issue, of course, remains, as it always has. Were the Apostles too extreme when they (not the Samaritans) praised Jesus as the Son of God? Had he sent? Did we know Jesus better than they did and can their descriptions be disregarded as products of their milieu and a moment which they misjudged? There are more than a few questions, the most of which are not answered. But it falls again on a great head of an error, a failure to cite and present its own Bible's text correctly.



Philip Callow: novelist in the D. H. Lawrence tradition

of the chief means by which humanity has amazed itself. The novel is not set in the past; the protagonist Stephen Crisp grew up in the 1930s and the 1960s. But he becomes obsessed with his researches into this obscure subject, and begins to discover parallels between some of its details and his own experiences.

He goes to the Bass Strait Islands in try to work out his dilemma. The result is a little disappointing in psychological terms—the author, though writing a crisply realistic prose, is much aware of Patrick White—but the exercise is worth while, for Robert Drewe has an intelligent finger on the pulse of the past, and understands how the "primitive" survives in the civilised. He carries on to produce powerful and original novels.

Northern Lights, by the American author of *If I Die in a Combat Zone*, is an adventure story; it has been suggested that it is also an allegory; but this spoils it since read as such it is pre-tentious, and I don't think the author is guilty. It is about the two sons of a hell-fire Lutheran Minister in Minnesota. One is compassionate, the other tough, shame and fear manifesting themselves—and rightly—so one

Crimes

BY WILLIAM WEAVER

Conscience of a Killer by Mel Arrighi, Robert Hale, £3.15, 180 pages

Arrighi's hero is a professional assassin who, when not off killing people, lives with his nice wife and his two nice children in a nice English village. Having saved a considerable amount of his earnings, he is ready to retire. Just one last hit, he decides to say, he runs into complications. He is saving, not killing his mark. A somewhat rambling, slapdash affair, but enjoyable, even if not always credible.

The Brides of Friedberg by Gwendoline Butler, Macmillan, £3.75, 192 pages

The author has hit upon an ingenious idea: combining a straightforward murder story with the old-fashioned memoir of near-oxfordy or arisieroy. Admirers of such classics as *Spyglass*, *Disturbance* by the Duchess of Sermoneta or the works of Walburga Lady Paget (*Embassies of Other Days*) or Daisy Princess of Pleas will enjoy the details of life in turn of the century Berlin and in the Schlags of the narrator's lover's grave. Even the Empress Frederick ("Vicky") plays a cameo role, her brother, though invisible, is a catalyst in the plot. Sensitively told, by a plucky English girl, the story flows naturally through its neo-Gothic landscape to its Gothic resolution.

Bury by Night by Loretta Foley, Hale, £3.25, 189 pages

A delightful Irish story. Simon Connolly was not one of Clifford's model citizens, and when he went off to London, nobody except his immediate family felt his loss. But when his corpse is found in somebody else's grave, the morn is turned on its ear. From Dublin come Detective Inspector Moss Coen and his long-suffering young assistant Finnabarr Rafferty, to investigate the mess. Irish messes take a lot of untangling, but the pair do a good job. Expectedly, in a work of this sort, there are

U.K. ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output, engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. order	Retail	Unempl.	Vacs.
1976 4th qtr.	103.1	104.7	106	108.5	211.9	na
1977 1st qtr.	103.6	105.6	106	105	217.1	1,277
2nd qtr.	103.0	102.9	106	103.4	219.5	1,269
April	102.5	102.7	106	104.2	221.8	1,262
May	103.6	105.1	106	104.4	223.2	1,282
June	100.0	100.0	106	103.5	222.2	1,298
July	101.8	102.5	106	107.0	232.5	1,394
Aug.				107.0	241.4	1,515

OUTPUT—By market sector, consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1970=100); housing starts 1000s, monthly average.

	Cnsmr. goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textile mfg.	Housg. starts
1976 4th qtr.	115.1	98.9	104.3	100.2	85.1	103.6	20.8
1977 1st qtr.	115.8	100.7	108.3	101.2	84.2	105.1	19.9
2nd qtr.	113.0	98.5	104.9	100.3	81.0	93.5	19.9
April	114	100	108	101	78	101	22.1
May	114	100	108	101	78	101	22.9
June	111	96	103	96	75	97	22.3
July	114	98	103	99	83	103	22.4

EXTERNAL TRADE—Indices of export and import volume (1970=100); visible balance, current balance; oil balance; terms of trade (1970=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn
1976 4th qtr.	141.5	138.2	-982	-414	-1,002	79.1	4.13
1977 1st qtr.	141.2	142.3	-982	-461	-816	80.4	9.62
2nd qtr.	149.3	143.9	-696	-294	-725	80.1	10.3
April	145.9	138.7	-124	-70	-230	73.4	10.9
May	145.4	142.4	-298	-101	-288	80.7	9.9
June	152.8	138.7	-297	-133	-197	80.2	11.57
July	153.3	149.0	-230	-55	-198	80.1	13.4
August	150.2	131.2	+141	+216	-192	82.5	14.9

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months growth at annual rate); domestic credit expansion (3m.); building societies' net inflow; RP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1	M3	Advances	DCE	Int. inflow	RP	MLR
1976 3rd qtr.	31.4	20.2	20.9	2,383	534	365	14.4
4th qtr.	3.9	8.8	14.4	1,417	132	327	14.4
1977 1st qtr.	-3.6	-10.2	5.3	-1,883	641	339	10.1
2nd qtr.	18.9	6.1	-1.6	967	434	349	8.1
April	16.5	13.2	2.0	121	431	358	8
May	25.5	17.0	5.6	836	301	350	8
June	19.5	12.0	23.2	-285	320	363	8
Aug.							7

INFLATION—Indices of earnings, basic materials and fuels, wholesale prices of manufactured products (1974=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade-weighted value of sterling (Dec. 1971=100).

	Earnings	Basic matls.	Wholesale mfg.	RP mfg.	Foodst	FT	Strlg. comdty.
1976 3rd qtr.	267.1	306.8	223.2	158.5	158.7	239.8	64.1
4th qtr.	274.2	320.9	233.9	165.8	172.7	230.8	59.6
1977 1st qtr.	280.7	341.5	245.0	174.1	184.7	276.4	61.8
2nd qtr.	284.0	348.7	255.4	180.7	189.6	272.9	61.7
April	288.9	348.3	255.6	181.7	189.9	266.4	61.6
May	289.4	345.3	263.4	183.6	193.7	250.0	61.3
June	294.9	344.9	263.7	183.8	192.0	243.2	61.0
July	294.9	344.9	263.7	183.8	192.0	243.2	61.0
Aug.	294.9	344.9	263.7	183.8	192.0	243.2	61.0

* Not seasonally adjusted.

English farmers race to reap record grain crop

BY CHRISTOPHER PARKES
English farmers in England and Wales are now speeding through the harvest course...

'Tighter' lead supply forecast

THE LEAD MARKET is very tight with treatment charges for concentrates declining...

Baltic fishing quota row

FISHERIES EXPERTS from the seven Baltic coastal States to begin a week-long meeting...

Shortage fears lift cocoa

By Our Commodities Staff
COCOA FUTURES prices climbed to their highest levels for six weeks on the London terminal market yesterday...

Japan replies to sugar row charges

THE JAPANESE appealed to the Australian Government to end the sugar dispute...

Sharp drop in pork output likely

A SHARP FALL in the supply of pigs for pork and home-produced bacon next year is forecast in the Meat and Livestock Commission's latest survey...

Pilchard shoals face disaster

BY OUR OWN CORRESPONDENT
CAPE TOWN, Sept. 14.
hear Mr. Chris Heunis, the South African Minister of Economic Affairs...

to still drums
er Parkes
HUNG glut of early keeping growers...

mium to fall
IC aluminium ship-rises by more than this year...

COMMODITY MARKET REPORTS AND PRICES
METALS
Cathodes, cash 1961. Korb: Wirebars...

Commodities to look again
ved lately by activity in the other financial markets...

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needed commodity service has all the charts and indicators to provide you answers.

COFFEE
Although coffee expectations were for a sharply lower opening, good trade reports kept values buoyant...

RUBBER
EASIER openings on London physical market. Quier throughout the day...

GRAINS
LONDON GRAIN FUTURES (CALPA)
Market opened unchanged but firm quickly to gaps of 20 points with wheat...

COCOA
In the absence of producer activity, prices rose in nervous conditions...

SOYABEAN MEAL
October 100.00-110.00
November 105.00-115.00

SUGAR
LONDON DAILY PRICE raw sugar
100.00 (100.00) a tonne of 50 lbs...

WOOL FUTURES
LONDON - Basically the market was easier in some conditions...

MEAT/VEGETABLES
SMITHFIELD (prices in pence per pound)
Beef: Scotch Mince 48.0 to 50.0

PRICE CHANGES
Metals
Aluminium 2600-2650
Copper 2300-2350

U.S. Markets
NEW YORK, Sept. 14.
Cotton closed higher after a range of selling declined following the London close...

INDIAN JUTE OUTPUT FALLING
CALCUTTA, Sept. 14.
With 13 mills closed, the output of the Indian jute industry in August was only 69,000 tonnes...

FINANCIAL TIMES
REUTERS
DOW JONES
MOODY'S

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Inv. Mgrs. Ltd., Henderson Administration, etc.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Mgmt. & Res. (Bdn.) Ltd., Keyeske Hagar Jersey Ltd., etc.

Table of Base Lending Rates listing various banks and their respective interest rates for different terms.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., etc.

Table of Bankers and Laggards listing various banks and their performance metrics.

NEW HIGHS

Table of New Highs listing various stocks and their current prices.

NOTES

Table of Notes listing various financial instruments and their details.

CLIVE INVESTMENTS LIMITED advertisement with contact information.

CORAL INDEX: Close 547-552

INSURANCE BASE RATES advertisement listing various insurance rates.

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FT SHARE INFORMATION SERVICE

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Table of hotel shares including North (H. F.), Queen's Hotel, and others with columns for price, change, and volume.

INDUSTRIALS (Misc.)

Table of industrial shares including A.A.H., A.G.B. Research, and others with columns for price, change, and volume.

ENGINEERING-Continued

Table of engineering shares including Graham Wood, Greenall, and others with columns for price, change, and volume.

DRAPERY AND STORES-Cont.

Table of drapery and stores shares including H. & S., H. & S. (Hampshire), and others with columns for price, change, and volume.

BUILDING INDUSTRY-Cont.

Table of building industry shares including H. & S., H. & S. (Hampshire), and others with columns for price, change, and volume.

AMERICANS-Continued

Table of American shares including American International, American Overseas, and others with columns for price, change, and volume.

**BRITISH FUNDS

Shorts (Lives up to Five Years)

Table of British funds including Treasury, Overseas, and others with columns for price, change, and volume.

Five to Fifteen Years

Table of British funds for 5-15 year periods including Treasury, Overseas, and others with columns for price, change, and volume.

Over Fifteen Years

Table of British funds for over 15 year periods including Treasury, Overseas, and others with columns for price, change, and volume.

Unindexed

Table of unindexed British funds including Treasury, Overseas, and others with columns for price, change, and volume.

**INTERNATIONAL BANK

International Bank of London

**CORPORATION LOANS

Table of corporation loans including various companies and their loan details.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African loans including various countries and their loan details.

LOANS (Misc.)

Table of miscellaneous loans including various types of financing.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails including various international securities.

AMERICANS

Table of American shares including various US companies and their stock prices.

CANADIANS

Table of Canadian shares including various Canadian companies and their stock prices.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies including various financial institutions.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit shares including various beverage companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and roads shares including various construction and infrastructure companies.

CHEMICALS, PLASTICS

Table of chemical and plastic shares including various chemical companies.

CINEMAS, THEATRES AND TV

Table of cinema, theatre, and TV shares including various entertainment companies.

DRAPERY AND STORES

Table of drapery and stores shares including various retail clothing companies.

ELECTRICAL AND RADIO

Table of electrical and radio shares including various electronics and electrical companies.

ENGINEERING, MACHINE TOOLS

Table of engineering and machine tools shares including various manufacturing companies.

FOOD, GROCERIES, ETC.

Table of food, grocery, and other shares including various consumer goods companies.

HOTELS AND CATERERS

Table of hotel and catering shares including various hospitality companies.

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HOTELS AND CATERERS

Table of hotel and catering shares including various hospitality companies.

HOTELS-Continued

Large table of hotel shares including various international and domestic hotel companies.

Handwritten signature or note at the bottom of the page.

RIALS—Continued

Table of RIALS with columns for Price, Div, Cr, and various stock symbols.

INSURANCE—Continued

Table of INSURANCE with columns for Price, Div, Cr, and various stock symbols.

PROPERTY—Continued

Table of PROPERTY with columns for Price, Div, Cr, and various stock symbols.

TRUSTS—Continued

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MOTORS, AIRCRAFT TRADES

Table for MOTORS, AIRCRAFT TRADES with columns for Price, Div, Cr, and various stock symbols.

Commercial Vehicles

Table for Commercial Vehicles with columns for Price, Div, Cr, and various stock symbols.

Components

Table for Components with columns for Price, Div, Cr, and various stock symbols.

Garages and Distributors

Table for Garages and Distributors with columns for Price, Div, Cr, and various stock symbols.

NEWSPAPERS, PUBLISHERS

Table for NEWSPAPERS, PUBLISHERS with columns for Price, Div, Cr, and various stock symbols.

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TEXTILES

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TOBACCOS

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TRUSTS, FINANCE, LAND

Table for TRUSTS, FINANCE, LAND with columns for Price, Div, Cr, and various stock symbols.

FINANCE, LAND, ETC.

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EASTERN RAND

FAR WEST RAND

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GAS MEN, CAR WORKERS ACCEPT 12-MONTH RULE

Boost for hopes of pay limit

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT'S hopes of preventing a pay explosion following the end of formal incomes policy were given a lift yesterday with news from the trade unions and employers. On the union front, leaders of two important groups of workers have given up their challenges to the 12-month rule in the wake of last week's 4 per cent rise in favour of the Trades Union Congress. Some 60,000 staff in the gas industry have accepted a Phase Two settlement for which they were due on July 1, and shop stewards at Chrysler's Linwood plant in Scotland yesterday voted to recommend the 8,000 car workers to accept a Phase Two offer. The CBI reported that a majority of the post-Phase Two settlements so far notified to its data bank, chiefly by smaller companies, were within the Government's single percentage figure guideline—although the returns are too few to constitute a trend. Meanwhile, the first of the big public sector wage negotiations got under way yesterday when union representatives met local government manual workers to discuss a claim for a several big tests ahead. Today representatives of 200,000 banking staff will decide whether to accept Phase Two offers. Among the most reluctant to accept the decision of the TUC Union of Public Employees wants a minimum wage of £50 a week compared with the present £38.50 minimum, which includes £8.50 of incomes policy supplements. The General and Municipal Workers Union has set a target of £55 a week. These, along with the Transport and General Workers Union, decided yesterday to seek consolidation of the supplements into basic rates—which alone could add about 4 per cent to the wage bill. They want a 35-hour working week, better holidays and sick pay, and a review of shift allowances. Another Phase Two settlement reported yesterday came from the National Union of Dyers, Bleachers and Textile Workers who have "reluctantly" accepted Phase Two rises backdated to May for 18,000 workers in the Yorkshire and Lancashire textile finishing trade. The union is looking for another £3.49 a week which it says was lost with the onset of the pay policy. But the 12-month rule has several big tests ahead. Today

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OFT seeks legal advice on accounting

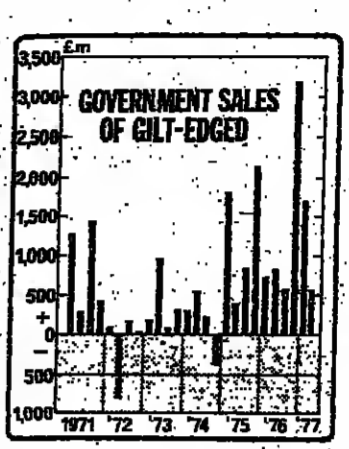
By Michael Lafferty, City Staff

ACCOUNTANTS look like being among the first professional group to face action under the restrictive practices legislation. The Office of Fair Trading, which has been trying for several months to convince the profession to drop its advertising restrictions, has advised the accountancy bodies that these practices may be registerable under the law. A court hearing would probably be necessary to prove this. But if the restrictions were found to be registerable the accountancy bodies would then have to prove that it would not be in the public interest to drop them. This latest development follows the publication of a Monopolies Commission report on the profession's advertising restrictions in August last year. The Commission's report, which was accepted by the Government, concluded that the profession was a monopoly and that present advertising restrictions operate against the public interest. Following the Monopolies Commission report the Office of Fair Trading had talks with the Institutes of Chartered Accountants in England and Wales, and Scotland, and the Association of Certified Accountants to consider how the recommendations should be implemented. Although there is no suggestion that either side has been dragging its feet, it has been clear for some time that there was little prospect of agreement. The English Institute of Chartered Accountants, for example, has always maintained that there is a direct link between professional integrity and advertising restrictions. It appears that during talks with the three bodies, the OFT began to suspect that the latter is considering a more registerable under the law, and therefore there was no basis for the discussions. A few weeks ago it conveyed this to the accountants and indicated that it was breaking off the discussions unless the latter is prepared to registerable under the law, and therefore there was no basis for the discussions. A few weeks ago it conveyed this to the accountants and indicated that it was breaking off the discussions unless the latter is prepared to registerable under the law, and therefore there was no basis for the discussions.

THE LEX COLUMN

Rewriting the record book

Index rose 13.5 to 549.2



money is spread over year time scale, it is that, as presently group could not do year like 1977. Against the mark of a pre-tax profit of £3.5m (swelling to £3.5m on the first six months out of yesterday's euphoria. At £20m shipping is probably more than in the last year, adjusting for the 1976, and changes in going the wrong way there is still a net settlement on six tankers chartered elsewhere, trading profits just over £10m, a slight setback at more than offset by trial, engineering, and other activities. The full year, which attributable level of surprising development the BP claim the day have a great deal to ward to until a settlement on the building up next year. The implication is that in a months from the me returns provide some support for the competitive exchange rate policy, with exports more buoyant than imports during the last few months. But the cash generation will be limited to its depreciation provision—market interest has at least part of the next £100m, merchandising and maintenance of NEB funding will be required in the near future. And although the arrangement Stock Market will come when whereby British Leyland is supposed to generate £150 of its prospective p/a authorities will have to decide own for every £100 of taxpayers' around 9.

Leyland's first half profit falls to £12.6m.

By Terry Dudworth, Motor Industry Correspondent

SIR RICHARD DUBSON chairman of British Leyland, sounded a note of anxiety yesterday about the ending of formal pay restraint when he announced a fall in the company's first-half profit from £15.8m pre-tax to £12.6m. The return to free collective bargaining was bound to bring its own stresses in industry at large, he said. Pay disputes among suppliers—a reference mainly to Lucas—had already made it clear that Leyland's results in the second half year, starting in July, would be better than those for the first.

West German reflation package approved

BY JONATHAN CARR

BONN, Sept. 14.

THE West German Cabinet today approved a more expansionary budget for 1978, after agreeing on its long-awaited package of measures to stimulate the economy. After weeks of discussion and dispute between and within the Government coalition parties, Bonn has followed France and Japan in taking reflationary action. The German steps go some way to meet foreign charges that Germany has been doing too little to meet the growth pledge it gave at the western economic summit in May. Far from meeting the target of 5 per cent real growth in GNP this year, West Germany will be lucky to touch 4 per cent.

development aid (up 22 per cent), research and technology (14.9 per cent), and transport (14.1 per cent). The Government has altered its priorities away from consolidation of state and towards more state expenditure to try to take up some of the slack of the private sector. The result will be a net credit need by the Federal Government next year of DM7.5bn, instead of the DM12.5bn planned. While there is unlikely to be any trouble in raising such a sum on the capital market, Herr Hans Apel, the Finance Minister, might be confronted with the problem of maintaining a limit on Government borrowing. First reaction from industry and banking to the package was mixed, with praise for the general trend of the measures but regret that yet more had not been done to ease the tax burden. The Government's economic advisory council can greet the steps with satisfaction, since they are very much what it was recommending as long ago as last autumn. But the council has already expressed regret that the measures are not enough to overcome the double-digit rise in budgetary spending, criticised details of the tax measures and made it clear some will be opposed when the package comes before the Bundesrat, the Federal upper house, for approval next month. Since the Opposition has a majority in the Bundesrat it is most unlikely that the package will be passed exactly in its present form. It is also possible that Opposition to some of the measures favouring business may come from Government party left-wingers.

Burmah

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British Leyland

The toolmakers' strike in February and March cost British Leyland something like 75,000 vehicles in terms of lost production, and had an extremely damaging impact on its finances. To judge by yesterday's interim statement, which shows profits down from £53.8m to £12.6m before tax and after, finance costs of £25.8m, borrowings during the half year may have averaged nearly £300m more than the £21m shown in last December's balance sheet. Although output recovered sharply during the second quarter, the group has now been knocked sideways by disputes at Lucas and other suppliers. In addition, exports are under pressure. Volume was down in the first half, by some £22m, the pattern being under 10 per cent, and accumulated. Interest margins have been "severely" £5.4m, were the same slating and the recovery of sterling money rates and the loss of the year is not expected acquisitions will be to be any better than in the first six months.

Thomas Tilling

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Biko death protest by Vance

By Bridget Bloom, Africa Correspondent

THE U.S. Government has called on South Africa to conduct an investigation into the circumstances surrounding the death of Monday of Mr. Steve Biko, one of South Africa's most influential black nationalists. In a strongly worded statement, Mr. Cyrus Vance, U.S. Secretary of State, said that he was "shocked and saddened" in learn of the death of Mr. Biko. Calling for a full investigation of Mr. Biko's death, which the South African Government reported followed a week-long hunger strike, Mr. Vance said that whatever the immediate causes of death, Mr. Biko "must be regarded as another victim of the apartheid system and the South African security legislation which supports that system."

Gatwick go-ahead for Skytrain

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LAKER AIRWAYS, which plans to start its low-fare Skytrain flights across the North Atlantic to New York on September 26, has won the right to fly from Gatwick Airport, south of London, instead of from Stansted, Essex. As usual the biggest speeders are the Labour Ministry (DM43bn, up 13 per cent.) and Defence (DM34bn, up 4.3 per cent.). The highest rates of expenditure increase include de-

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Trade

Continued from Page 1

revision to the invisible surplus revealed last week. The surplus on invisible items was £492m in the second quarter, compared with a peak of £633m in the third quarter of last year, and the surplus is estimated to be running at £17m a month. The U.K. is clearly heading for a sizeable current account surplus, so that the most recent official estimate of a deficit of between £300m and £400m for 1977 as a whole looks rather pessimistic. There could still be some poor months to come, with perhaps further imports of North Sea installations and possibly a slightly slower growth in exports as a result of the slackening in the overall growth of world trade. The U.K. has been increasing its share of world trade this year, with a steady growth in most categories of exports in recent months.

French Left

Continued from Page 1

State effective control of their subsidiaries, thus fulfilling the political purpose of nationalisation. There was therefore no need to proceed with the expropriation of about 1,450 subsidiary companies, which would have burdened the State with huge compensation payments and probably involve it in long legal battles. Recently, however, the Socialists have indicated that would be prepared to convert Government loans to the steel industry, and Peugeot-Citroen into State shareholdings. M. Fabre said to-night: "We cannot accept a la carte nationalisation. The French people are not ready to sacrifice free enterprise and individual initiative as the Communists would like."

Weather

U.K. TO-DAY: DRY and sunny, some rain in Scotland.

Table with columns for location, day, and temperature. Locations include London, S.E., E. Anglia, Midlands, Channel Islands, Wales, N.W. Engl., N.E. Engl., Lakes, Isle of Man, Scotland, Argyll Ireland, and various Business Centres.

Holiday Resorts

Mainly dry, sunny. Max. 17C (63F).

Table with columns for location, day, and temperature. Locations include N.E. England, Borders, Edinburgh and Dundee, Cloudy, change of rain, Max 18-17C (61-63F), Aberdeen, Highlands, Moray, Fife, N.E., N.W. Scotland, Cloudy rain in places, Max 15C (59F), Orkney, Shetland, Cloudy rain at times, Max 11-15F (51-59F), Outlook: Dry, sunny, Cloudy at times in E.

French Left

Continued from Page 1

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